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USSR Report

INTERNATIONAL ECONOMIC RELATIONS



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PERPEGEL SPEECH TO UN EUROPEAN ECONOMIC COMMISSION MEETING

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 8,
(signed to press 22 Aug 84) 1984 pp 68-70

[Speech by Ion Perpegel, deputy secretary of the CEMA, at the plenary sitting of the 39th Session of the UN European Economic Commission held in Geneva the 3rd through the 14th of April 1984]

[Text] Over the course of 25 years, the CEMA has been cooperating with the UN European Economic Commission. At the present time, they are carrying out about 20 joint projects. Ion Perpegel, deputy secretary of the CEMA, spoke at the plenary sitting of the 39th Session of the UN European Economic Commission (Geneva, 3rd through the 14th of April 1984). The text of this speech is published in this issue.

In Europe, where for a number of decades there have been states with different social systems, the only viable policy is peaceful coexistence. At the 37th Session of the CEMA (Berlin, October 1983), the determination of the CEMA member countries not to diminish their efforts to improve international political and economic relations was confirmed. In the 20 October 1983 Declaration expressing the concern of their countries in connection with the danger of a further sharp intensification of the arms race, especially the nuclear arms race, the heads of the delegations of the CEMA member countries at the 37th Session of the CEMA addressed themselves to all of the states in Europe and the world to direct their attention to the pernicious consequences of this course. The declaration brought forth some very convincing arguments in regard to its extremely serious consequences, particularly for international economic relations. At the same time, the government heads declared the readiness of their countries to cooperate with all of the states in Europe and the world and with all peace-loving forces for the purpose of preventing a further escalation in the arms race.

We share the opinion expressed here on the close interconnection between the development of international economic cooperation and disarmament and the prevention of war. Over the long term, disarmament would contribute to the economic and social development of all the states of the European Economic Commission that can contribute to the implementation of Resolution 38/196 adopted by the UN General Assembly, protect the economic cooperation between states from the negative influence of international political tension, and contribute to building confidence between states in their economic relations.

In 1975, when the Conference on Security and Cooperation in Europe (CSCE) was successfully concluded, the CEMA Executive Committee adopted a resolution on the willingness of the CEMA to contribute within the scope of its competency to the realization of the corresponding principles and positions of the second section of the Final Act, utilizing for this purpose its active cooperation with the UN European Economic Commission. In the course of almost a decade, our organization has unswervingly conformed to and is conforming to this directive. The fact that this is truly so is indicated in the memorandum "Cooperation With Other International Organizations" of the executive secretary of the European Economic Commission, where specific examples of cooperation between CEMA and the European Economic Commission are given.

At the 37th Session of the CEMA, a positive evaluation was given of the results of the Madrid meeting, which creates new possibilities for the development of the mutually beneficial--economically as well--cooperation of states in the interest of strengthening peace throughout the world and on the European continent in particular.

At the session, the heads of the delegations of the CEMA member countries confirmed the invariability of the policy of their countries on the development of trade and economic relations with all states and their willingness to cooperate on an equal and mutually advantageous basis regardless of the level of economic development and the social and economic system

We share the considerations expressed here by the delegations to the effect that greater use needs to be made of the possibilities of the European Economic Commission for the continuation of dialogue and for the strengthening of economic relations and multilateral cooperation in the region. The implementation of the corresponding positions of the Final Act of the CSCE and the summary document of the Madrid meeting are, it seems to us, an important foundation for cooperation in the region in commerce, industry, agriculture, science and technology, environmental protection, etc. The proposals made by a number of states in the area of environmental protection and in the development of transport and energetics are called upon to give a new impulse to the work of the European Economic Commission and to increase its authority, to which the CEMA is firmly dedicated, as we have repeatedly emphasized. I have in mind, in particular, the proposals for working out a strategy for environmental protection through the year 2000 and beyond, proposals that are already being reviewed within the limits of the senior advisers on environmental problems; a program for the development of transport through the year 2000 and its efficient use, in which certain progress has been noted in the framework of the corresponding committee; and the expediency of calling the fifth session of the senior advisers on energetics in the fall of this year to continue cooperation based upon all parts of their mandate. Also involved are certain proposals in the area of agriculture, microelectronics, robotics and flexible production systems.

The European Economic Commission plays a significant role in the development of foreign trade and industrial cooperation. Considering the fact that much preparatory work has been done in studying the ways and means of eliminating obstacles to trade, it is expedient to reduce and gradually eliminate these

obstacles and for this purpose to carry out a special conference of experts on this very important question in 1985.

Along with trade between the countries of the East and West, industrial cooperation is an important factor in the dynamic development of the region. That is why we are in favor of calling two special conferences of experts next year on compensatory trade--on large-scale compensatory agreements for the long term as well as on short and medium-term deals.

The positive attitude of our organization that I mentioned in regard to the continuation and development of the overall European process, begun by the Final Act of the CSCE and again confirmed by the summary document of the Madrid meeting, gives me every reason to support the proposal to carry out in the course of the 40th Session of the European Economic Commission a special meeting on the occasion of the 10th anniversary of the signing of the Final Act.

Taking advantage of the opportunity, I would like to note that this year our countries are observing the 35th anniversary of CEMA. In the course of a quarter century in the scope of their competency, CEMA and its secretariat have been making a constructive contribution to the implementation of the specific programs of the European Economic Commission in questions of mutual interest. Thus, cooperation between the two secretariats now covers about 20 joint projects of a practical nature, in particular in questions concerning comparability of statistical nomenclature, transport, the environment, electric power, the coal industry, science and technology, agriculture and forestry, etc.

The multilateral cooperation of CEMA member countries within the scope of the council contributes to their economic development and thus helps to increase the possibilities of each of them to participate not only in the international socialist but also in the world division of labor.

As everyone knows, the positive experience of cooperation in the CEMA and its democratic principles attract third countries--socialist, developing and capitalist--to cooperate with it on the basis of suitable agreements.

Thus, for 20 years, the many-sided cooperation of Yugoslavia with CEMA member countries within the scope of the council and based upon the principles of equality, noninterference in each other's internal affairs, and mutual advantage is becoming larger and larger in scale and more diverse. Yugoslav enterprises participate in the realization of more than 80 agreements signed by CEMA member countries and Yugoslavia on specialization and cooperation in production.

Finland has been cooperating with CEMA for more than 10 years based upon a special agreement. Through July 1983, 56 agreements had been entered into between interested CEMA member countries and Finland on economic and scientific and technical cooperation in machine building, the chemical and paper pulp industry and construction, as well as in the area of transport and environmental protection. This contributed to the development of trade, and the share of CEMA member countries in Finland's total foreign trade rose to 28.4 percent.

Cooperative agreements are in effect between CEMA and the Republic of Iraq, the United States of Mexico, and the Republic of Nicaragua.

In 1983, under the leadership of their communist and worker parties, CEMA member countries basically fulfilled the tasks of the third year of the current five-year plan that is directed toward a further increase in the well-being of their peoples based upon the comprehensive intensification of public production and through the introduction of the achievements of scientific and technical progress.

To one degree or another, of course, the development of the economic systems of CEMA member countries continued to be influenced by the conditions of the complex international situation and the unfavorable world market conditions. Nevertheless, in 1983, CEMA member countries, overcoming the difficulties related to this and thanks to the advantages of the socialist system, mobilizing their internal resources and utilizing cooperation within the scope of CEMA, secured an increase in produced national income of 3.8 percent over 1982, of 4.1 percent in the volume of total industrial production, of 3 percent in agricultural production, and of 3.7 percent in labor productivity in industry. All of this created favorable conditions for an expansion in their foreign trade. In 1983, the joint trade of CEMA member countries grew faster than the overall volume of trade, and it exceeded the 1982 level by 11.3 percent. Their foreign trade with all world countries increased in 1983 by 8.2 percent compared with 1982.

The decrees of the 37th council session that I mentioned played an important role in strengthening joint cooperation.

At the session, they emphasized the importance of intensifying mutually advantageous economic cooperation within the scope of CEMA to accelerate the development of production and mutual deliveries of output, the importation of which has been made more difficult by the policy being carried out by some capitalist countries of discriminating against CEMA member countries in trade and economic relations.

In the cooperation of CEMA countries, more emphasis is now being put on solving the greatest problems of the economic system and on providing it with material resources. A great deal of attention is being paid to cooperation in the creation of resource-saving equipment as well as to radioelectronics, robotization, and the use of chemicals.

The council session approved the basic directions in the expansion of cooperation of countries in the area of the economical and rational use of fuel, energy and raw materials, including secondary resources. In the production of equipment, it is planned to expand cooperation for the more rapid introduction of the latest technology into the economic system of the countries. CEMA organs will develop a program for cooperation in this area through the year 2000.

The session approved additional measures in agriculture and the food industry for the purpose of expanding mutual deliveries of vegetables and fruit, of providing the agricultural and food complex with advanced technology, etc.

In conclusion, the speaker stressed that CEMA, in accordance with its capacity, is assisting the European Economic Commission in every possible way in regard to the realization by the European Economic Commission of the corresponding positions of the Final Act and the summary document of the Madrid meeting and in regard to increasing the practical role of the commission in the development of the many-sided cooperation of all countries of the region--above all of those with different social systems--and also in other questions of mutual interest.

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USSR-CEMA TRADE

BELICHENKO ON INVESTMENT CRITERIA, RECENT PROJECTS OF IIB

Moscow DEN'GI I KREDIT in Russian No 7, 1984 (signed to press 20 Jun 84)
pp 7-14

[Article by Chairman of the Board of the International Investment Bank A. N. Belichenko: "The Development of Socialist Economic Integration and the IIB"]

[Excerpts] The International Investment Bank (IIB), the credit organization of the socialist countries, is playing an important role in the development of socialist economic integration. The bank carries out the extension of long-term and intermediate-term credit for capital investments which are connected with the development of multilateral economic cooperation. In other words, since the early 1970's the collective currency--the transferable ruble--has "crossed" the boundaries of foreign trade and is now becoming widespread in the sphere of investments. The credit system of the IIB conforms to the existing conditions of economic cooperation among the CEMA member countries. By uniting financial resources and granting credits the bank is taking a direct part in the strengthening and increase of the economic potential of the socialist countries.

Credits of the International Investment Bank can be granted to banks, economic organizations and enterprises of the member countries, international associations of CEMA, as well as borrowers from third countries in the manner established by the Council of the bank. The terms of the credits are established with allowance made for the optimum conditions of the recovery of the expenditures on construction. Intermediate-term credits are granted, as a rule, for a term of up to 5 years, while long-term credits are granted for a maximum of 15 years.

The authorized capital stock of the IIB was initially specified at 1 billion transferable rubles. By now in connection with the joining of new members it has increased to 1,071,000,000 transferable rubles. The amount of capital is a most important indicator of the credit worthiness and solvency of any bank; the authority of a credit institution on international money markets depends in many ways on its amount.

The capital is created by the proportionate contributions (quotas) of the member countries, the amount of which is established on the basis of the volume of exports in the reciprocal commodity turnover of the member

countries. Taking into account that the bulk of the equipment and materials, which are necessary for the construction of the projects for which credit is being extended, is supplied by the socialist countries themselves, 70 percent of the authorized capital stock of the banks is formed in transferable rubles, the remainder is formed in convertible currency. Special funds can be set up in the IIB at the expense of interested countries for the extension of credit for the joint construction of projects.

During the 13 years of activity of the bank (1971-1983) its credits have been granted for the development of the fuel and power industry, machine building, the metallurgical, chemical and other important sectors of the national economy.

The sectorial structure of the credits of the IIB during the indicated years is characterized by the following data:

<u>Sector of the national economy</u>	<u>percent</u>
Fuel and power	68
Machine building and metalworking	20
Metallurgical	5
Chemical	3
Light, food, transportation, agriculture and others	4

From the cited table it is evident that a large portion of the credits was granted for the development of the fuel and power industry.

In its credit policy the bank is taking into account the structural redistribution of investments, which has been continuing for several years now. As is known, in the 1980's the amount of capital investments for the development of the fuel and energy base and the agroindustrial complex and for the modernization of the leading sectors of machine building was increased in the European socialist countries.

In all during the above-noted period 83 projects were accepted for the extension of credit, while the total amount of the granted credits comes to more than 3.6 billion transferable rubles. The credits are being used by the CEMA member countries, Yugoslavia, as well as the Interatominstrument International Economic Organization (Warsaw). The estimated cost of the projects, which were accepted for the extension of credit, exceeds 10 billion transferable rubles.

During 1972-1983 the total amount of exports to the member countries from the projects, which were built and are being renovated with the involvement of credits of the bank, came to 18.8 billion transferable rubles, which promoted the expansion of the reciprocal commodity turnover and the meeting of the needs of the national economy of the interested countries. During the same years there were delivered to the member countries: about 70 billion m³ of natural gas, more than 150,000 trucks and buses, agricultural and processing machinery worth more than 2.75 billion transferable rubles, about 45,000 railroad cars, more than 20,000 forklift trucks and so on.

The total volume of export deliveries from the projects, for which credit is being extended by the IIB, is constantly increasing: in 1972-1975--1.4 billion transferable rubles, in 1976-1980--6.8 billion transferable rubles, in 1981-1985--more than 18 billion transferable rubles. In 1983 products worth 4.5 billion transferable rubles, which comes to 114 percent of the assumed obligations, were delivered from the projects for which credit is being extended.

Economic efficiency and a high level of automation and mechanization, which conform to the present demands of production technology, as well as optimum terms of the recovery of the expenditures on construction are characteristic of the projects of the International Investment Bank. The bank is devoting special attention to the quality of the items planned for production--their conformity to world standards, the existence of certification for the highest degree of quality and so on. Accordingly the output of high quality products is helping to decrease the importation of goods from the capitalist countries, which in recent years has been of fundamental importance.

The IIB is striving to improve its activity by active participation in the work of CEMA organs. At present the coordination of the national economic plans of the member countries for 1986-1990, which is of particular importance for the elaboration of the prospects of the credit activity of the bank, the increase of the role of international socialist credit and the broadening of the sphere of use of the transferable ruble, has begun. Here the IIB is coordinating its current and long-range work with the planning activity of the member countries in the area of capital investments; the study of specific steps on cooperation for the purpose of selecting potential objects of the extension of credit is continuing; much attention is being devoted to the question of the more extensive use of investment credits when implementing the integration measures which are being planned during the coordination of the national economic plans of the member countries for the coming 5-year period. The work on the selection of objects of the extension of credit and the determination of the prospects of the development of the activity of the IIB is being performed in close contact with the CEMA Sekretariat and especially with the Committee for Cooperation in Planning.

Last year the Council of the bank approved the important document "On the Procedure of the Determination of the Prospects of the Development of the Credit Activity of the IIB in Transferable Rubles on the Basis of the Participation of the Bank in the Work on the Coordination of the National Economic Plans of the CEMA Member Countries for 1986-1990," which aims first of all at the selection of projects of importance for integration, which are connected with the implementation of the long-term goal programs of cooperation and the measures on the specialization and cooperation of production. Such participation is enabling the International Investment Bank to solve successfully the problems facing it.

Great importance is being attached to the question of determining the economic effectiveness of capital investments. Standard documents, in which quite strict demands on borrowers are set forth, have been drawn up and are constantly being improved at the bank. In 1980 methods aids on the determination of the basic principles and indicators, which characterize the

importance of a project for integration, and of the methods of establishing the term of bank credit were approved at the IIB. The set of technical and economic indicators, which are used when determining the economic effectiveness of capital investments, is governed by the requirements of the present period of the development of the economic cooperation of the CEMA member countries and the basic directions of the credit activity of the bank.

The economic effectiveness of capital investments is examined in the IIB at the same time as the question of the advisability of the extension of credit for projects. Here it is borne in mind that, first, credits will be granted mainly for the financing of the construction of integration projects, which are of great importance for the development of the economy of each country and the broadening of the economic cooperation of the CEMA member countries as a whole, as well as for measures on the broadening of the raw material and fuel base and the specialization and cooperation of production and are of mutual interest. Second, the interest of the member countries in the construction of the project and the obtaining of the products produced by it should be confirmed.

The IIB groups with the criteria of the economic efficiency of a project: the assurance of a high scientific and technical level of construction; the observance of the optimum terms of recovery for the given sector; the production of products with the least expenditures and the output of products which conform to world standards in quality and market prices; the availability of the necessary raw material base for production and a market for the sale of the products; the duration of the construction of projects, as well as other requirements of an economic and financial order, which are specified by the Council of the bank subject to the nature and purpose of the capital investments.

As a rule, the following technical and economic indicators are included in the credit agreements between the IIB and the borrowers: the amount of capital investments, the production capacity, the production cost, the payback period, labor productivity, the coefficients of automation and mechanization, the output-capital ratio and the product quality.

For the purpose of becoming familiar with world achievements in various fields of technology representatives of the IIB visit the international exhibitions and trade fairs, which are held in Moscow, Plovdiv and Brno. There is a permanent bureau at the Leipzig trade fairs, at which specialists of the bank regularly meet with representatives of borrowers and banks both from member countries and from other countries, as well as obtain interesting technical and economic data and information on questions of scientific and technical progress in various sectors of industry and familiarize themselves with the products of facilities, which are being planned for expansion and with respect to which applications for credit have been received.

The contribution of the International Investment Bank to the matter of the increase of the efficiency of the economy of the CEMA member countries and the further development of socialist economic integration is easily seen from the information cited below on the projects for which credit is being extended.

In 1983 the bank granted credit to the Bulgarian Balkankar Scientific Production Trade Association for the modernization and renovation of the V. Kolarov Diesel Engine Combine in the amount of 29.1 million transferable rubles. The granted credit is being used for the expansion of the production of equipment which was previously purchased in capitalist countries. As a result of the modernization and renovation of the combine the output of modern engines for diesel forklift trucks, which are produced by the Balkankar Association and are in great demand in the member countries of the IIB, will increase significantly. During the current five-year plan it is envisaged by this association to produce about 300 new advanced types of items of the highest quality. The annual production of forklift trucks has exceeded 20,000 a year, while in the immediate future the assimilation of the output of such forklift trucks with a lifting capacity of up to 25 tons is expected. The more than 70 prizes and medals, which have been obtained at international exhibitions and trade fairs, such as the Golden Mercury, the International Export Prize and the Gold Medal, attest to the successes of the activity of the association.

In recent years the International Investment Bank are actively joined in the process of extending credit for investments in agriculture and the food industry. And this is understandable, since the development of agricultural production and its intensification are at the center of attention of the Communist and workers' parties of the socialist countries.

In 1984 the credit application for the construction of the Camaguey III Sugar Mill in the Republic of Cuba in the amount of 10.6 million transferable rubles was examined and approved by the bank. In 1990 after the placement of the project into operation and the assimilation of its rated capacity the export of raw sugar to the member countries will increase by 70,000-80,000 tons annually. The construction of three more similar sugar mills, one of which (the Camaguey II) was put into operation in late 1983, is being carried out in Cuba with the involvement of credit of the IIB.

The IIB is maintaining extensive and lasting relations with the Hungarian National Bank and the State Development Bank of Hungary, as well as with a number of Hungarian industrial and transportation enterprises. The bank is taking part in the implementation of measures on the renovation and electrification of the railroads of Hungary. The railroad station of Zahony, which is located on the Soviet-Hungarian border, is being renovated by means of assets of the IIB. The work on the renovation of the station has already been completed.

The operations at one of the highly mechanized mines in Hungary, the Vito II, which was built with the involvement of credits of the IIB, were completed last year. After the assimilation of the rated capacity the mining of 400,000 tons of bauxites a year will be ensured. A significant amount of the products of this project is being supplied to Poland and the CSSR.

The project "The Expansion of the Production of Aluminum Semifinished Products at the Plant of Light Metals in Szekesfehervar" has been carried out in Hungary. It was envisaged by the credit agreement as a result of the implemented measures on the expansion and renovation of the plant to increase

the output of products in 1983 to 172,000 tons. Bulgaria, Hungary, the GDR, Poland, Romania and the CSSR are interested in the products of the project.

In carrying out investment activity, the IIB is undertaking efforts on the broadening of the sphere of use of the transferable ruble. In the Comprehensive Program of the Further Intensification and Improvement of Cooperation and the Development of the Socialist Economic Integration of the CEMA Member Countries it was noted that the transferable ruble may in the future be used in settlements with third countries and hold among the other currencies, which serve international settlements, a place which corresponds to the role and importance of the socialist states in the world economy. In implementing the Agreement With Yugoslavia on the Basic Principles of Cooperation, which was signed in 1974, the IIB last year granted additional credit for the further renovation and expansion of the production capacities of the Tang Tool Plant of Yugoslavia. The credit is being used for the purchase of forging and pressing equipment in the CSSR. As a result of renovation the production capacity of the plant will increase from 4,000 to 14,700 tons of products a year. Along with various tools industrial forged pieces, which are used for the production of levers, crankcases, pinions, bushings and so forth, will hold an important place in these products. The export of products to the member countries of the bank in 1985-1990 will amount annually to 4.5 million to 7.1 million transferable rubles.

In all in 1983 25 projects, for which credit is being extended by the bank, were at the stage of construction. The assimilation of capital investments by these projects and the placement into operation of the equipment, which was purchased by means of credits of the bank, enabled the borrowers to increase significantly the output of the products being produced. The bank is constantly performing work which is aimed at the further improvement of the monitoring of the fulfillment by the borrowers of the terms of the credit agreements, especially in the area of the special-purpose nature of the use of the credit, the timely placement of the projects into operation, the assimilation of the rated capacities and the achievement of the other technical and economic indicators.

The cited data and examples attest to the significant role of the bank in the development of socialist economic integration and to the great economic efficiency of the projects which are being carried out with the involvement of credit of the IIB. They show that the Comprehensive Program and the long-term goal programs of cooperation, which are based on the coordination of national economic plans and the investment activity with respect to individual projects, are the basis of the development of the cooperation of the socialist countries in the sphere of capital investments.

The meeting of the 37th CEMA Session was held in Berlin in October 1983. The session examined and endorsed the Basic Directions of the Expansion and Improvement of the Cooperation of the CEMA Member Countries in the Economical and Efficient Use of Fuel, Energy and Raw Material Resources, as well as

comprehensive measures on the improvement of the supply of the population with foodstuffs. Questions of cooperation in the area of science and technology were also examined.

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USSR-CEMA TRADE

DECREE ON USSR-CUBA LONG-TERM COOPERATION PROGRAM

PM261635 Moscow EKONOMICHESKAYA GAZETA in Russian No 47 (signed to press 12 Nov 84) pp 5-6

[Unattributed report: "Decree on Long-term Program for the Development of Economic, Scientific and Technical Cooperation Between the USSR and the Republic of Cuba for the Period Until the Year 2000"--capitalized passages within slantlines published in boldface]

[Text] The government of the USSR and the government of the Republic of Cuba,

Proceeding from the unity and solidarity between the CPSU and the Communist Party of Cuba [PCC] and between the Soviet and Cuban peoples, and from the firm resolve to further develop Cuban friendship in accordance with the principles of Marxism-Leninism and proletarian internationalism, guided by the CPSU and PCC congress decisions concerning the steady upsurge of their countries' national economies and, on this basis, the enhancement of working people's well-being,

confirming the desire to further expand and deepen all-around economic, scientific, and technical cooperation between the USSR and the Republic of Cuba on the basis of coordinated economic policy and basic guidelines for long-term cooperation,

With a view to making an effective contribution to the further development and deepening of the socialist economic integration of CEMA member countries on the basis of the Comprehensive Program for further deepening and improving cooperation and developing the socialist economic integration of CEMA member countries, as well as to the implementation of decisions made at the CEMA member countries economic summit conference in Moscow,

Desirous of accelerating the process of gradually aligning the level of economic development in the Republic of Cuba with the levels of European CEMA member countries,

Attaching important significance to the more active participation by the Republic of Cuba in the international socialist division of labor on a long-term basis,

And aware that multifaceted cooperation between the two countries serves the cause of socialist and communist building and helps strengthen peace and ease international tension,

have adopted the present cooperation program for the period until the year 2000.

I. Basic Results of Cooperation

During the period since the victory of the revolution and relying on the all-round support of the Soviet Union and the socialist community countries, the Republic of Cuba has successfully implemented fundamental revolutionary transformations, created real prerequisites for building the material and technical base of socialism, and overcome the consequences of economic blockade by U.S. imperialism.

The Republic of Cuba was the first country in the Western Hemisphere to take the path of socialist development. The transition to socialist production relations, the fast growth of the economy's state sector, and the improvement of the system of managing and planning the national economy have become important and objective prerequisites for the development of production forces. The Cuban revolution has shown vividly and convincingly that, with the correlation of forces in the world changing to the advantage of socialism, the people in a small and semicolonial country can achieve complete national liberation, implement fundamental social transformations, successfully overcome the economic backwardness, and ensure considerable progress in all spheres of social life.

Cuba was the first Latin American country to eradicate illiteracy. Universal education has become the norm. Knowledge and the achievements of science and culture have become widely accessible to the Cuban people. Cuba has placed modern medicine in the service of safeguarding the working people's health.

The successes of the Republic of Cuba in all spheres of life are inseparably linked with the Soviet Union's international fraternal aid.

Economic, scientific, and technical cooperation between the USSR and the Republic of Cuba has developed steadily and has attained a high level. The Soviet Union renders the Republic of Cuba greater and broader technical assistance in the building and modernization of national economic facilities, in creating the infrastructure and material and technical base for the training of national cadres for practically all sectors of the economy, and in introducing new technological production processes. The planned basis of cooperation has been consolidated.

The industrial enterprises and other facilities constructed and modernized in the Republic of Cuba with the USSR's economic and technical assistance have helped the process of industrialization and the growth of the country's economic potential and export capacities.

A number of sectors, practically nonexistent prior to the revolution's victory, have been developed in Cuba with the USSR's economic and technical assistance. They include steel production, agricultural machine building, the manufacture of equipment for the sugar industry, electronics industry, fertilizer production, industrial fishing, and geological prospecting in Cuba's territory.

Thanks to the joint efforts by both countries, a stable basis has been created for the sugar industry--the main export sector of the Republic of Cuba. A high degree of mechanization has been attained in sugar cane harvesting. Cuban-made harvesting combines are replacing hard manual labor to a constantly growing extent. Extensive modernization and reconstruction of production capacities and renewal of the sugar industry's transportation system are in progress.

Fundamental changes have occurred in Cuba's power supply on the basis of cooperation with the USSR. The major heating and power stations at Mariel and Santiago de Cuba, the power transmission lines, and other facilities comprising the country's unified electric power system have created a reliable base for subsequent progress in the entire national economy of the Republic of Cuba. Cuba is one of the first Latin American countries to develop an atomic power industry.

There has been further development of Cuba's ore mining industry, and primarily the production of nickel ferrous products. Geological prospecting work is progressing on a wide front, making it possible to increase the confirmed reserves of petroleum and other mineral resources and boost the volume of their extraction.

The creation of major production capacities in the textile industry, and especially the Santiago de Cuba Textile Combine, has made an important contribution toward supplying the population of the Republic of Cuba with industrial consumer goods.

The Soviet Union's assistance in developing land reclamation work, stock and poultry breeding, organizing the repairs and maintenance of agricultural equipment, and carrying out work in the use of chemicals, plant protection, selection, and genetics has been highly significant for the agriculture of the Republic of Cuba.

The two countries' main efforts in bilateral cooperation have been concentrated on resolving key problems of the Cuban economy's development, improving its structure, and raising the level of social production so as to satisfy the Cuban people's growing vital needs.

Over the next few years, and with the USSR's assistance, Cuba will commission important capacities in such sectors as the power industry, ferrous and non-ferrous metallurgy, petroleum processing industry, machine building, construction materials industry, construction industry, and transport and communications, including a power station near Havana, the first stages of an atomic power station and of a new petroleum processing plant in the city of Cienfuegos, the Punta Gorda Nickel Plant, the Santiago de Cuba and Santa Clara plants for repairs of motors and trucks, the expansion of the Jose Marti metallurgical plant, and the modernization of the main railroad.

Commodity turnover between the USSR and the Republic of Cuba has developed at rapid rates, growing almost five-fold over the last 10 years. The deliveries of Soviet commodities are decisively significant for the economic development

of the Republic of Cuba. The Soviet Union fully satisfies Cuba's needs for petroleum and petroleum products and meets the overwhelming proportion of its import needs for grains, metals, fertilizers, timber, and other raw materials, agricultural and road building machinery, transportation facilities, and many other types of machines and equipment.

In its turn, the Republic of Cuba delivers to the USSR increasing quantities of sugar, nickelferrous products, fresh and processed citrus fruit, and other commodities of substantial significance for the Soviet national economy.

The stable and long-term deliveries of petroleum, petroleum products, and other raw material commodities by the Soviet Union and the guaranteed purchases of unrefined sugar from Cuba help lay a reliable foundation for the Cuban economy's development.

The relations of fraternal friendship and mutual understanding prevailing between the two countries are specially manifested in the form of comprehensive and disinterested economic aid rendered by the Soviet Union.

An important role among all the diverse forms of aid that is rendered is played by the establishment of incentive prices for the basic Cuban export commodities and the granting of preferential credits to the Republic of Cuba, thus creating favorable conditions for financing the development of its national economy.

The role played by Soviet-Cuban scientific and technical cooperation is growing. A modern material and technical base is being created for carrying out scientific research work in Cuba. Scientific programs closely related to the needs of Cuba's national economy and the paramount tasks of its economic development are being elaborated through joint efforts.

Joint scientific collectives have been established to solve scientific and practical tasks of mutual interest.

The Soviet Union's assistance in training skilled cadres for different sectors of its national economy is especially significant for the Republic of Cuba.

The economic, trade, scientific, and technical cooperation between the USSR and the Republic of Cuba is acquiring an increasingly planned and comprehensive nature, and this is furthered by the work done to coordinate the 5-year state plans for both countries' economic and social development. The activity of the Soviet-Cuban Intergovernmental Commission for Economic, Scientific, and Technical Cooperation is highly significant for boosting the effectiveness of economic ties.

At present the relations of cooperation between the two countries are scaling new heights and are being raised to the qualitatively higher level through the elaboration of basic guidelines for the further development of cooperation in the long term. The drawing up of a general plan for the Cuban economy's development until the year 2000, in consultation with Soviet specialists, is of great importance.

The present program document is meant to help the strengthening and further development of planned stable foundations for long-term cooperation.

II. Main Goals and Ways of Implementing Cooperation

On the basis of the directions determined by the CPSU and the Cuban Communist Party for the socioeconomic development of the USSR and Cuba and the decisions of the 1984 CEMA economic summit in Moscow the sides consider the main goal of long-term cooperation between the two countries to be collaboration aimed at completing the building of socialism's material-technical base in Cuba, the further comprehensive boosting of prosperity, and ensuring the rational satisfaction of the Cuban people's growing material and spiritual needs.

The Soviet Union will continue on the current just basis to give all-around aid to Cuba in accelerating development and increasing the efficiency of its national economy, taking into account the tasks of socialist industrialization that have been set. The Soviet Union will channel its aid into the further consistent strengthening of the autonomy and independence of a Cuban economy organically integrated with the CEMA socialist community countries in ways which will be recognized at every stage of cooperation as the most purposeful on the basis of the principles agreed at the 1984 CEMA economic summit regarding the development of economic and trade relations with Cuba.

In order to implement these goals the Soviet Union and Cuba have agreed to develop Soviet-Cuban economic, scientific, and technical cooperation in the following directions:

To improve the structure of Cuba's social production on the basis of the maximum utilization of national resources and the advantages of the international socialist division of labor;

To increase the efficiency of the Cuban economy on the basis of a gradual transition by it to the intensive path of development, the better utilization of fixed assets and existing material and labor resources, savings of fuel and materials, the development of modern technological processes, and the accelerated introduction of the achievements of scientific and technical progress;

To accelerate the opening up of Cuba's natural resources and their fuller and more efficient use as the basis for strengthening the country's production potential, raising the level of the domestic integration of its economy, and increasing export resources;

To accelerate the development of the fuel and energy spheres (primarily the oil industry), metallurgy, and certain sectors of machine building, electronics, and chemistry in accordance with the tasks of socialist industrialization and increasing national economic efficiency;

To further develop and increase the level of domestic integration of agro-industrial complex sectors in accordance with the tasks of the national food program in order to supply the country's population with mainly home-produced food products and to develop exports;

To expand Cuba's export potential both by increasing output of traditional goods and by developing production of new types of output, primarily in the processing sectors of industry;

To aid Cuba's participation in the international socialist division of labor by developing specialization, production sharing, and economic integration within the CEMA framework on a mutually advantageous basis, which will, in particular, promote the strengthening of Cuba's technical and economic independence from the capitalist countries;

To help Cuba to develop the production of specific types of output--primarily in the processing sectors of industry--which will ensure its broader participation in specialization and production sharing agreements within the CEMA framework both on a bilateral and a multilateral basis as a foundation for further deepening socialist economic integration and expanding foreign trade exchange;

To implement cooperation in the modernization, reconstruction, and expansion of existing production capacities in the Cuban economy and the creation of new capacities;

To help to increase commodity exchange in order to supply both countries' national economies with certain types of raw and other materials, machines and equipment, and food products and consumer goods on a long-term and stable basis;

To increase the efficiency of Cuban-USSR cooperation by more fully utilizing the production capacities that have been created, concentrating resources on the construction of priority projects, and improving the quality of reciprocally delivered goods;

To improve the ways and means of cooperation, to create joint enterprises and production sharing, and to build projects on a barter trade basis, including joint exports to other countries and the processing in Cuba of Soviet customer-supplied raw and other materials;

To aid the accelerated development of Cuban science and technology; to strengthen the material and technical base of scientific research; to transfer scientific and technical documentation; to conduct joint research and increase the qualifications of scientific and technical cadres;

and to continue aid in training and increasing the qualifications of Cuban specialists in secondary specialized and higher teaching establishments; and in providing study attachments [stazhirovka] to Soviet enterprises and organizations for leading personnel, specialists, and workers.

III Priority Sectors of Cooperation

The sides recognized the advisability of focusing effort on cooperation in the following most important spheres:

1. In the sphere of the /AGROINDUSTRIAL COMPLEX:/

To achieve the goals of Cuba's National Food Program by consistently implementing measures to strengthen the material base of agriculture and develop the home feed base for stockraising, to expand land reclamation construction, to develop the agrotechnical services and the chemicalization of agricultural production, and to increase the efficiency of land use, agricultural crop yields, and productivity of stockraising;

to further develop the sugar industry on the basis of carrying out work to increase the level of mechanization in the growing and harvesting of sugar cane, ensuring the modernization and reconstruction of existing sugar cane processing plants and building new ones, the reconstruction and modernization of transportation, and the creation of automated management systems in the sugar industry;

to elaborate techniques and develop the material base for the production of microbiological synthesis, feed protein, and other industrial output on the basis of the comprehensive processing of sugar cane waste products;

to develop the material base of the production and industrial processing of citrus fruit by carrying out land reclamation work on plantations, building new plants and installations to process, conserve and store fresh and processed citrus fruit, and organizing the production of packaging materials;

to develop certain subsectors of the food industry with regard to the fuller utilization of agricultural output;

to intensify reforestation and organize the procurement and processing of timber;

and to expand Cuba's export resources, including increasing exports to the USSR both of traditional goods (sugar, fresh and processed citrus fruit, drinks, and tobacco) and organizing the production in agroindustrial complex sectors of new types of products--sorbitol, vitamin C, activated carbon, furfural, lysine, citric acid, and other products.

2. In the sphere of the /FUEL AND ENERGY COMPLEX:/

To further develop Cuba's electricity system mainly by building nuclear and thermal power stations in the Havana City region, modernizing existing thermal power stations, and installing power lines on the basis of the needs of the country's electricity system, and to expand the production capacity for serving power stations;

To develop prospecting and drilling work to increase known oil and gas reserves, including on the Cuban Continental Shelf, to create the corresponding capacity to extract oil and gas, and to organize production of barite to ensure that drilling work is carried out;

To expand and modernize existing oil refining capacity and to create new capacity taking account of agreed oil shipments from the USSR and the prospective potential for an increasing amount of processing of national oil; to organize production of basic lubricants and to ensure the further deepening of oil refining; to build installations at sea and bases on land to receive and store oil and fuel oil, and to create capacity for the transportation and storage of oil, oil products, and gas;

And to introduce energy-saving techniques and implement measures to rationalize energy needs, including improving energy systems at sugar plants, and involving nontraditional, secondary, and renewable energy sources--including the development of projects in the power and heat supply sphere--in the fuel and energy balance of the Cuban national economy.

3. In the sphere of /FERROUS AND NONFERROUS METALLURGY:/

To further expand and modernize the Jose Marti Metallurgical Plant;

to create new metallurgical capacities in Holguin Province based on Cuban waste metal and ferriferous raw materials;

to organize production of metal products and refractory materials and introduce powder metallurgy methods;

to carry out work aimed at improving the quality of metal waste and ferriferous waste from the nickel industry and increasing the known reserves of ferriferous ore deposits;

to further expand existing capacities and create new capacities for the production of nickel and cobalt products and for their diversification, including with a view to increasing the export of these products to the USSR;

to open up complex ore deposits, on a compensatory basis, and primarily to organize production of lead and zinc concentrates;

to expand geological exploration work for solid minerals with a view to increasing their known reserves for the development of ferrous and nonferrous metallurgy, the construction materials and construction industries, the chemical industry, and other national economic sectors;

to carry out further geological survey work on the territory of Cuba, to compile geological maps, and classify the country according to geological and economic zones.

4. In the sphere of /MACHINE BUILDING/:

To develop the production of equipment to meet the needs of Cuba's national economy taking into account specialization and production sharing with CEMA countries, in particular equipment for the sugar and food industries, and machines and equipment for agriculture, stockraising, and feed production;

to develop shared production of individual types of construction and transport equipment, subsequently going over to the independent manufacture of sub-assemblies and components taking into account the export potential of the aforementioned products;

to organize production of certain types of nonstandard equipment, instruments, and metal products, based on the expansion and modernization of existing capacities;

to expand and create ship repair capacities;

to expand and improve the effective utilization of the production base for the technical servicing and repair of the existing machine and equipment pool, and also for the manufacture and reconditioning of spare parts.

5. In the sphere of /ELECTRONIC AND ELECTRICAL ENGINEERING/:

To develop production of individual types of electronic equipment, including certain types of computer equipment and control and measuring instruments, based on production sharing and specialization and taking account of the satisfaction of both internal needs and export;

to further develop production of electrical consumer appliances based on the parties' mutual interest in sharing production of the corresponding products;

to create a technical production base for the output of individual types of raw materials and components for the electronics and electrical equipment industries to satisfy internal needs and for export.

6. In the sphere of the /CHEMICAL AND LIGHT INDUSTRIES/:

To further expand and create capacities for the production of mineral fertilizers mainly on the basis of ammonia and certain other types of raw materials supplied from the USSR, and to expand capacities for the reception of ammonia;

To set up production of individual types of chemical and petrochemical products, based on the parties' interest in organizing specialization and mutual exchange of the corresponding types of chemical raw materials and finished products;

to expand, modernize, and create capacities for the production of various types of paper and card, on the basis of bagasse and also cellulose from the timber of the conifer species which grow in Cuba;

to reconstruct existing factories for the production of soap and create capacities for the production of certain types of detergents;

to develop production of sewn and certain other light industry goods, including those for export to the USSR on a compensatory basis;

to develop the production of furniture using boards of bagasse to meet internal demand and for export.

7. In the sphere of the /MEDICAL INDUSTRY/:

To organize industrial production of pharmaceutical raw materials on the basis of medicinal plants which grow in Cuba, and to develop production of medical supplies and veterinary preparations taking account of the country's internal needs and requirements for export to the USSR;

to organize production of certain types of medical equipment and laboratory apparatus for the country's internal need and possible export to the USSR.

8. In the sphere of the /CONSTRUCTION MATERIALS AND CONSTRUCTION INDUSTRIES/:

To develop production of waterproofing materials, sanitary engineering products, ferroconcrete pipes, and facing and other materials;

to develop a production base for the technical servicing and repair of construction equipment;

to modernize, expand and create capacities for the production of glass containers and sheet glass.

9. In the sphere of /TRANSPORT AND COMMUNICATIONS/:

To renovate and build maritime wharves and ports;

to develop maritime transport and container transport and to create capacities for the supply and servicing of ships;

to develop air transport, airports, and aircraft's repair base, and to create air traffic control and servicing systems;

to resolve the problem of passenger transport operations in Havana on the basis of the economically substantiated utilization of the various types of passenger transport, including studying the option of building a subway.

10. In the sphere of /SCIENCE AND TECHNOLOGY/:

To implement scientific and technical research projects linked with Cuba's National Food Program, particularly with the utilization and protection of water and land resources, the development of plant and animal genetics, the creation of a system of livestock fattening based on a Cuban feed base, the development of technology for and new types of output from refining sugar cane, the improvement of agricultural machinery systems, the quest for ready-made forms of plant protection agents based on Cuban raw resources, the development of the pharmaceutical, veterinary, and microbiological industries, and the introduction of waste-free technology for the processing of agricultural products;

to implement scientific and technical developments connected with the fuel and energy complex, particularly with geological prospecting for oil and gas and their processing, mastering nuclear power technology, improving the power grid of the main sectors of industry, and assimilating nontraditional sources of energy;

to intensify scientific and technical development for the machine building and metallurgical complex connected with the utilization of existing minerals, the development and manufacture of machine and equipment models for key sectors of the Cuban economy, and also with the development of production of raw materials and components for the electronics and electrical equipment industries.

IV. Implementation of Program

The specific directions, extent, and targets of the economic, scientific, and technical cooperation arising from the present program, and the sequence and deadlines for the construction of individual installations and for the implementation of the cooperation measures will be laid down and amplified:

During the coordination of the state plans for the economic and social development of the USSR and Cuba for 5-year periods;

when agreements, contracts, and other treaties on economic, scientific, and technical cooperation and production sharing and specialization are concluded;

by long-term trade agreements, annual protocols on trade exchange and payments, and by price agreements;

by agreements and treaties concluded within the framework of CEMA with the participation of both countries.

In the interests of the fuller implementation of the measures envisaged by the present program, ministries and departments of both countries--in coordination with the planning organs--will elaborate proposals to amplify and specify the main directions expounded in the program and on the basis of these conclude agreements on cooperation, specialization, and production sharing in the corresponding spheres.

The intergovernmental Soviet-Cuban Commission on Economic, Scientific and Technical Cooperation and the central planning organs of the two countries will monitor the progress of the fulfillment of the cooperation measures agreed in the present program, and also make recommendations as necessary on the further development of economic, scientific, and technical ties between the Soviet Union and Cuba.

N. Tikhonov, for the USSR Government.

F. Castro, for the Cuban Government.

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YUGOSLAV TIES TO CEMA REVIEWED

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 8, (signed to press 22 Aug 84) 1984 pp 37-38

[Article by Yanez Sternisha, head of the Permanent Yugoslav Mission to CEMA: "Fruitful Cooperation"]

[Text] The cooperation between the Socialist Federative Republic of Yugoslavia and the Council for Economic Mutual Aid [CEMA] is developing in accordance with the 17 September 1964 agreement between the Government of Yugoslavia and CEMA on the participation of Yugoslavia in the work of CEMA organs. The 20 years that have passed since that time have confirmed the viability of the principles upon which the relations between them are built: full equality of rights, respect for state sovereignty and national interests, and mutual advantage. The agreement has shown itself to be sufficiently broad and to be a fully self-justifying basis for long-term expansion and intensification of interaction between Yugoslavia and CEMA member countries in various areas of production, science and technology.

With the participation of Yugoslav representatives within the scope of CEMA organs, measures of mutual interest are worked out and put into effect. Familiarization and reciprocal information on questions of economic and scientific and technical policy help in this.

In 1964, Yugoslav representatives began to cooperate with CEMA in the area of foreign trade, foreign exchange and financial relations, nonferrous and ferrous metallurgy, machine building and the chemical industry. With the passage of time, the mutually advantageous ties gradually expanded, taking in other areas. Today they include 23 areas. And this means that Yugoslavia is represented in 23 CEMA organs. It regularly participates in the meetings of the council session, its Executive Committee and the CEMA committee for cooperation in the area of planning work.

Yugoslavia is cooperating with or is also a member of seven international economic organizations and economic associations and two banks of CEMA member countries. This is evidence of the fact that the realm of interaction is now rather broad, and the forms are diverse.

We will submit still another indicator of the development of mutually beneficial ties. Over the years, Yugoslav organizations have entered into a total of 120 multilateral agreements with CEMA member countries on specialization and

cooperation in production and in science and technology. The most important areas are machine building, electronics, the chemical industry, energetics, agriculture and the food industry, metallurgy, nuclear energy, science and technology.

Interaction in machine building is particularly significant and large in scope. It is sufficient to say that in this sector Yugoslav organizations are participating in the realization of about 70 multilateral agreements and treaties.

The scientific and technical revolution created the conditions for rapid growth in material well-being and for a broader development of culture and education. This made it essential to intensify cooperation in all areas.

As a socialist, self-governing and nonaligned country, Yugoslavia is paying much attention to the development of science and technology and to an expansion in mutually advantageous ties in this area with CEMA member countries and other states. For more than a quarter of a century now, scientific and technical cooperation has been carried out with CEMA member countries. After the signing of the agreement between Yugoslavia and CEMA, it became an important component in all of our relations. Despite the fact that their specific effectiveness is difficult to estimate, there is a good deal of information indicating that they are multifaceted and fruitful for all participants. These ties contribute to growth in labor productivity, to the development of new and improvement of existing production processes, to the assimilation of new products, to a reduction in energy expenditures, and to an increase in the quality and competitiveness of the output produced. It should be emphasized in particular that in most cases scientific and technical contacts grow into to production contacts.

Directly participating in the intensification of cooperation on a multilateral and bilateral basis are Yugoslav organizations of associated labor, which, as executors of specific work, have established and are developing working relationships with CEMA member countries. As experience shows, these relationships are useful for both sides. Yugoslav organizations are interested in their expansion on the basis of direct ties for the purpose of a more rapid resolution of specific questions of mutual interest.

Yugoslav economic organizations that have working relations with corresponding partners in CEMA member countries consider that there are good opportunities for further long-term cooperation in such important areas and in such programs as nuclear machine building, microprocessor technology, industrial robotics, development and introduction of new energy-saving technology, cooperation in the making of food products, agrotechnology, etc. Considering the rapid development of science and technology in these areas, interaction has great significance for economic growth in individual countries.

Yugoslav economic organizations are particularly interested in the further expansion of cooperation in machine building. Contacts in this leading sector are well developed even now. And what is significant in this regard is the fact that they cover science and technology as well as production exchanges and industrial cooperation. We consider that there are great opportunities in these very important areas for further intensification of mutually advantageous ties, especially in improving the quality of machines and equipment

and in the broader incorporation of the achievements of electronics and micro-processor technology. In striving for the dynamic development of machine building and in improving its structure, we are creating the preconditions for accelerated economic growth in all participating countries.

The Yugoslav side assigns special importance to cooperation in the area of raw materials and energy. The efficient resolution of the problem in this area is one of the main conditions for the long-term development of the national economies. The participation of Yugoslavia in the realization of the coordinated measures was very useful for the determination of the directions for the rational use of fuel and energy resources and for the development and introduction of new technologies and up-to-date energy equipment, etc.

We should above all note the importance for Yugoslavia of many-sided ties in such a leading sector as power machine building. The fact is that CEMA member countries, especially for the past 20 years, are making the greatest contribution to the production of basic equipment for Yugoslav electric power stations, especially thermal electric power stations. In turn, Yugoslav enterprises are manufacturing steam separators for nuclear electric power stations as well as transformers and other energy equipment ordered by their partners.

We expect a continuation of intensive cooperation over a long period of time. This is determined both by the further development that we foresee for Yugoslav energetics as well as by the plans of CEMA member countries in this area. The existence of the corresponding capacities in machine building, particularly in power machine building, will contribute to the intensification of mutually advantageous ties.

Agriculture and the food industry are occupying a larger and larger place in cooperation. An important role here is played by the fact that Yugoslavia, proceeding from a policy of long-term economic stabilization, has chosen a course of accelerated development of agricultural production. This course is one of the main directions of our development policy.

Quite beneficial contacts in the joint development and production of seed for various crops have been worked out today with CEMA member countries. There are also extensive ties in the development of gene stocks as well as in modern equipment and technology for agriculture and the food industry. In this area, Yugoslavia has unused natural resources, experience and knowledge. And this is an important precondition for the more rapid development of these sectors. Taking into consideration the importance that is assigned to these sectors in CEMA member countries, including in the process of integration, we believe that there are real possibilities for the intensification of interaction between them.

In speaking of the development of economic and scientific-technical cooperation, it is essential to stress that over a long period of time barter between Yugoslavia and CEMA member countries has been increasing. There is an intensification of specialization and cooperation in individual areas. The volume of reciprocal deliveries in the first 3 years of the current five-year plan (1981-1983) more than doubled compared with the same period of the preceding 5 years. In 1983, the commercial turnover realized with CEMA member countries reached R8.216 billion, including R5.209 billion with the USSR.

It is also proper to point out the successful development of such an effective and long-term form of cooperation as cooperation in production. The reciprocal exchange of cooperative goods now occupies an important place in the total volume of exports and imports between Yugoslavia and CEMA member countries and amounts to 6 percent with the USSR, 40 percent with Hungary, 27 percent with Poland, 20 percent with Romania, 7 percent with Bulgaria, and 50 percent with the GDR.

As is known, the Yugoslav economic system and the entire Yugoslav society are undertaking tremendous efforts to put into effect the Long-Term Program for Economic Stabilization. However, this program and the relying on our own strengths do not mean the self-isolation of our country. They foresee a fuller and more effective inclusion of Yugoslavia in the international division of labor. Open doors and cooperation with all countries are among the most important principles of our foreign economic activity. In this context, there is a great deal of interest in the continual development, expansion and intensification of all forms of economic and scientific-technical interaction with CEMA member countries.

We note with satisfaction that in the declaration on the basic directions in the further development and deepening of economic and scientific-technical cooperation, which was adopted at the highest level at the economic conference of CEMA member countries, it is emphasized that the leaders of the communist and worker parties and the government heads of the CEMA member countries consider it essential in the future as well to develop economic cooperation with other socialist countries that are not CEMA members. As a socialist, self-governing and nonaligned country, Yugoslavia will continue to strive to intensify consistently its economic relations with all CEMA member countries based upon the principles of the 1964 agreement between Yugoslavia and CEMA.

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USSR-CEMA TRADE

IMPORTANCE TO CEMA OF WORLD ECONOMY, TRADE STRESSED

Riga SOVETSKAYA LATVIYA in Russian 5 Sep 84 p 3

/Article by V. Karpich, candidate of economic sciences, and A. Drabkin, observer (Novosti Press Agency): "CEMA and World Economy"/

/Text/ The high-level economic conference of CEMA member countries stated that it was by no means indifferent to fraternal states of the socialist camp how the economic situation was shaping up in the world. They are deeply interested in its improvement. Those who consider this interest a sign of weakness on the part of socialism are mistaken. CEMA countries represent the most dynamically developing region in the world. Not long ago Rudolf Rohlicek, permanent representative of the CSSR at the CEMA, deputy premier of the CSSR Government, cited impressive figures in one of his articles: From 1960 through 1982 the national income of CEMA countries increased by 231 percent, whereas the national income of EEC states rose only 111 percent during that period. The author stressed that economic associations comparable in their proportion in the world economy were involved. CEMA member states now account for approximately one-fourth of the national world income and EEC countries, for approximately one-fourth of the worldwide gross national product.

The dynamism of CEMA states is based on their gigantic economic potential, which ensures the possibility of solving any economic problems. At the same time, as the high-level economic conference noted, CEMA member countries have always been consistent opponents of economic isolation and are persistently in favor of mutually beneficial cooperation with other states ready for such cooperation.

The economy of the socialist camp is connected by thousands of threads to the world economy--real socialism is developing not under laboratory conditions, but in the thick of real world economic processes. The economic situation in the world affects the fulfillment of economic plans of the socialist camp. The high-level economic conference stated this clearly. However, what occurs in the world economy is reflected in CEMA practice in a highly specific manner, with due regard for the interests of the entire socialist camp and every CEMA member.

As an example we will turn to one of the most acute problems of the world economy--the problem of prices. The change in world prices, including prices of petroleum, had a definite effect on the price situation within the CEMA. (Let us recall: The bulk of energy carriers and raw materials is imported by

European socialist countries, with the exception of the USSR). In order to soften the negative effect of the sharp rise in the world prices of these goods, CEMA member countries have applied a specific price formation mechanism: USSR export is carried out on preferential terms, at prices established through an annual averaging of world prices during the 5 years preceding the year of delivery of a commodity.

Thus, not ignoring the world price situation, CEMA member countries, at the same time, take effective measures which give a significant economic effect and stabilize their economic development. The use of world prices as the base for prices in mutual trade within the framework of the CEMA makes it possible to apply a single criterion of benefit of foreign trade operations. Naturally, every country determines the extent of such benefit from its own positions. However, time has shown that the price formation mechanism in effect within the framework of the CEMA is effective and ensures benefit for all.

At the same time, the socialist camp is by no means inclined to shut itself off with a thick fence from the world economy. Real socialism is ready to make its significant contribution to the stabilization of the economic world situation and to the development of economic contacts and mutual trade. In particular, we would like to recall that negotiations on the establishment of relations between the Council for Economic Mutual Assistance and the European Economic Community were begun on the initiative of the CEMA. At the same time, CEMA member countries proceeded from the fact that the establishment of relations between the two major economic organizations would contribute both to the development of economic-trade and scientific-technical relations among countries forming part of them and to the strengthening of the climate of trust and the material basis for detente in Europe. The readiness of the CEMA to conclude an appropriate agreement with the EEC was also confirmed by the high-level economic conference. It is up to the other side to meet, as the saying goes, the partner halfway.

Unfortunately, certain influential circles in the West try to use international economic relations for their purposes and resort to all kinds of boycotts and sanctions often ending in failure and losses for the business circles in the West, which the Western press itself admits. The "economic war" against the world of socialism did not bring laurels to its initiators. However, the neutralization of sanctions, of course, required a certain maneuver of reserves and changes in the distribution of resources. Time was needed to relocate orders in foreign trade--the choice of reliable partners, be it firms or countries, acquired special importance.

Incidentally, one-sided voluntarist antisocialist actions complicate the situation not only along the East-West line. For example, a mass renunciation by Western states of the undertaken obligations to help developing countries is observed. Within the Western bloc protectionism stifles trade and trade agreements are not observed. An attempt is made to force sovereign states to observe foreign laws. Here it is appropriate to recall the American pressure on West European countries in connection with the (unsuccessful) attempts to disrupt the construction of the West Siberian-West European gas pipeline. Blame for such disorganization of international economic relations rests with conservative imperialist circles, which think in terms of categories of strength and sanctions.

CEMA member countries--this was recently stressed at the most authoritative level--oppose the use of trade as a weapon of subversive policy and proceed not only from their own interests. The use of the economy as a weapon narrows the horizons of cooperation and casts doubt on the trust between partners, without which trade is inconceivable and aggravates the political climate in the world. This contradicts the interests of all mankind.

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USSR-CEMA TRADE

COMPARISON OF SELECTED 1983 PLAN RESULTS OF CEMA MEMBERS

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 7, 1984 (signed to press 16 Jul 84) pp 57-60

[Article from the CEMA Secretariat's Statistical Department: "Marching Confidently Ahead"]

[Text] Under the guidance of the communist and workers' parties the workers of the fraternal countries ensured further development of the economy in 1983, the third and core year of the five-year plan.

An acceleration of its rates, based on the qualitative reorganization of material production with the object of intensification, was a feature of last year's economic growth. The CEMA countries achieved higher economic growth indicators in 1983 compared to the 2 previous years. For example, the growth of produced national income exceeded the average annual growth for 1981-1982 by a factor of 1.8, gross output of industry and capital investments by a factor of 2.0 and gross agricultural output by a factor of 1.5. The majority of CEMA countries achieved absolute increases in production by greater conserving of raw materials, fuel, energy, and expenditures of labor. The efficiency of social production increased significantly. Preconditions for increasing the rates of its growth in the next years have been established.

Produced national income in the CEMA countries, a summary indicator of economic development, rose 3.8 percent in comparison with 1982; this includes 3.0 percent in Bulgaria, 0.5 percent in Hungary, 4.4 percent in the GDR, 5.8 percent in Mongolia, 5.0 percent in Poland, 3.4 percent in Romania, 4.0 percent in the USSR, and 2.2 percent in Czechoslovakia.

As in previous years, increased labor productivity provided a large proportion of the national income's growth. As a result the hypothetical savings of labor for the economy of the fraternal countries as a whole exceeded 4 million people.

To a decisive degree the growth of national income was determined by industrial development, which progressed steadily last year, in most cases at a faster rate than other sectors. The fraternal countries' production of gross industrial output on the whole rose 4.1 percent as compared to 1982. It rose

4.0 percent in Bulgaria, 0.7 percent in Hungary, 4.1 percent in the GDR, 5.1 percent in the Republic of Cuba, 9.1 percent in Mongolia, 4.0 percent in the USSR, and 2.9 percent in Czechoslovakia. Poland's volume of output sold increased by 6.0 percent and Romania's commodity output by 4.8 percent.

The number of industrial-production personnel increased by 0.4 percent in 1983 as compared to the preceding year for the CEMA countries as a whole (excluding the Vietnam and Cuba).

Almost the entire growth in the countries' industrial output last year was achieved through the most important intensive factor, increased labor productivity, which increased by 3.7 percent.

For the purpose of raising labor productivity, 526 industrial manipulators and 337 numerical control units for metalworking machine-tools were manufactured and put into production processes in Bulgaria; 2,700 industrial robots in the GDR; 10,700 industrial robots and manipulators in the USSR; and 1,000 industrial robots in Czechoslovakia.

In order to intensify industrial production, scientific and technological achievements were introduced into the most important industrial sectors on an accelerated basis and resource- and energy-saving technologies and new materials were more extensively utilized in the past year.

Utilizing the advantages of the socialist division of labor, the CEMA countries continued to develop those sectors that are structure-determining and optimal from the standpoint of potential growth factors. For example, the machine tool building and electrical equipment industries receive priority development in Bulgaria, the electronics industry in Hungary, the chemical machine building and robot building industries in the GDR, the shipbuilding and light industries in Poland, the diesel locomotive and turbine building industries in Czechoslovakia and so forth. As a result of these sectors' accelerated growth based on specialization and cooperation, the CEMA countries were better able to satisfy the needs for technically sophisticated and high-grade items.

The fuel and energy sectors, whose share in the volume of gross industrial output for the countries as a whole totals approximately 12 percent, hold a leading place in the CEMA countries' industries.

In 1983 the CEMA countries' production of electricity totaled 1,879 billion kilowatt hours which is 3.6 percent higher than in the previous year. (See Table 1)

Table 1

		(6)					(1) Таблица 1				
		(2) млрд. т	(3) млрд. т	(4) млрд. т	(5) млрд. т	(6) млрд. т	(7) млрд. т	(8) млрд. т	(9) млрд. т	(10) млрд. т	(11) млрд. т
(12)	млрд. кВт.ч 1983 г. к 1982 г.	42,6	25,7	4,2	104,9	11,6	1,7	126	70,2	1416	76,4
(13)	к 1982 г.	105	104	103	102	105	112	107	102	104	102

KEY: (1) Table	(8) Poland
(2) Bulgaria	(9) Romania
(3) Hungary	(10) USSR
(4) Vietnam	(11) Czechoslovakia
(5) GDR	(12) Billions of kilowatt hours
(6) Cuba	(13) 1983's production as percentage of 1982's
(7) Mongolia	

The commissioning of new AES (nuclear electric power plant) reactors provided a large proportion of the increased output of electric power. The total capacity of all AES's in the fraternal countries reached 25,500 megawatts by the end of 1983. Currently they produce 1.5 times more electric power than the states of the EEC. The CEMA countries' share of the world's production of electric power totaled 21.6 percent in the past year and is increasing yearly.

The fuel industry has a special role in the development of all other sectors of the national economy of the countries of the socialist commonwealth. The volume of its gross output increased by 2 percent in comparison with 1982, including by 3 percent in Bulgaria and Poland, 2 percent in Cuba and the USSR, and 1 percent in Mongolia and Czechoslovakia. The fuel industry's rate of growth is somewhat slower than the other sectors of industry, which testifies to the more economical use of heat and power carriers in the production of industrial output.

The use of natural gas and low-grade coals to replace oil as fuel for electric power stations contributes to the increase in the efficiency of energy consumption and improvement of the structure of the fuel and energy balance of the CEMA countries.

The importance of coal as a basic type of solid fuel and as one of the most important primary energy resources is continuously increasing. Coal's share in the fraternal countries' total fuel and energy balance is declining (basically because of high gas and oil extraction rates), but the absolute volume of coal extraction continues to increase. In 1983 the CEMA countries' total coal extraction was 1,393 million tons, an increase of 1 percent as compared to 1982. The constant introduction of the latest scientific and technological achievements guarantees the successful development of the coal industry, which is one of the most labor-intensive sectors of the national economy. These achievements make it possible to increase production through rapid, labor productivity growth rates. In 1983 almost the entire increase in coal extraction was obtained due to just this factor. The EEC's states' coal production continues to decline. In 1983 it totaled about 392 million tons which is 3.2 percent lower than the previous year's level.

The CEMA countries' total oil extraction exceeded 630 million tons, and natural and casing-head gas extraction, 560 billion cubic meters. This is an increase of .06 and 7.0 percent respectively as compared to 1982. The increase in oil and gas extraction has been secured by the USSR's increased extraction volume.

The development of the CEMA countries' ferrous metallurgy is closely linked to the implementation of the measures included in the DTsPS (Long-Range Special-Purpose Cooperation Program in the areas of energy, fuel, and raw materials. The industry's technical and economic indicators improved, unit expenditures of energy decreased, the assortment of items was expanded, and the quality of metal products increased.

In the past year the CEMA countries' steel production totaled 210 million tons, an increase of 3.2 percent compared to the previous year. They produced 153 million tons of finished rolled metal products, which is a 3.8 percent increase compared to 1982. The states of the EEC produced approximately 109 million tons of steel last year, which is 2 percent less than a year ago. The main producers', the USSR and the USA, share of the world's volume of steel produced in 1983 totaled 23.4 percent and 10.6 percent respectively.

The changes in steel and finished rolled metal output are characterized by the data in Table 2.

Table 2

Таблица 2(1) (1983 г. в % к 1982 г.) (2)								
(6)								
	(3) НРБ	(4) ВНР	(5) ГДР	Республика Куба	(7) ПНР	(8) Румыния	(9) СССР	(10) ЧССР
Сталь (11)	109	98	101	121	110	96	104	100,2
Продукт проката металл. лов (12)	99,4	99	103	111	111	98	104	100,7

KEY: (1) Table 2	(7) Poland
(2) 1983's output in percentages of 1982's output	(8) Romania
(3) Bulgaria	(9) USSR
(4) Hungary	(10) Czechoslovakia
(5) GDR	(11) Steel
(6) Republic of Cuba	(12) Rolled Ferrous Metal

An increase in the sector's productivity is linked to its qualitative reorganization without a significant increase in steel production in the future, which is closely related to the construction and machine-building industries' efficient use of ferrous metal.

The machine building and metalworking industries play an especially important role in the fraternal countries' national economies. The sector's output increased 6 percent for the countries of the socialist commonwealth as a whole, including 11 percent in Bulgaria, 0.6 percent in Hungary, 6 percent in the GDR, 18 percent in the Republic of Cuba, 10 percent in Mongolia, 7 percent in Poland, 6 percent in the USSR, and 6 percent in Czechoslovakia. The growth rates of the machine building and metalworking industries exceeded the growth of industry as a whole by 1.5 fold. As a result these sector's share

of the CEMA countries' total industrial production volume rose to 28.2 percent (it was 27.8 percent in 1982) and their sectorial structure was improved.

The growth of the production of the basic types of machine building output continued and its quality was raised. Currently the CEMA countries are producing almost all the types of machines and equipment included in the list of the world's machine building.

The CEMA countries' chemical and rubber-asbestos industry, as one of the leading sectors of the economy, being an important intensifier of production in other sectors of the national economy, developed at steady, rapid rates in 1983, surpassing the growth of industry as a whole. This sector's gross output for the CEMA countries as a whole rose 6 percent compared to 1982; this includes 7.4 percent in Bulgaria, 5 percent in Hungary and the GDR, 8 percent in the Republic of Cuba, 9 percent in Mongolia and Poland, 6 percent in the USSR, and 3.4 percent in Czechoslovakia.

This sector's intensive development and the introduction of the latest scientific and technological achievements were carried out under conditions of even closer international specialization and production cooperation and socialist economic integration. Almost one-third of the chemical industry's output currently exported by the CEMA countries are items produced on the basis of agreements for specialization and production cooperation.

The output of plastics, synthetic resins, chemical fibers, mineral fertilizers, plant-protecting chemicals, chemical and biochemical feed supplements grew at accelerating rates. Progressive structural improvements in the sector begun earlier were carried on. For example, in the CEMA countries the growth rates of the production of the most progressive polymerized materials increased substantially, which made their share more than half of the total volume of output of plastics and synthetic resins. The CEMA countries as a whole increased production of plastics and synthetic resins by 8.1 percent, chemical fibers by 7.5 percent, mineral fertilizers by 8.5 percent, and plant-protecting chemicals by 6.2 percent as compared to 1982.

The CEMA countries developed the timber and wood processing and the pulp and paper industries with good results in 1983; their increased production for the year equaled 3 percent and 5 percent respectively.

The light industry's growth assisted in improving the supply of consumer goods for the CEMA countries population. Technical re-equipping of the important sectors of light industry, textile, knitted-wear, garment, leather, fur and footwear continued, based on introducing the latest highly-mechanized and automated technological processes into production. The gross output of the basic sectors of light industries in the countries of the socialist commonwealth as a whole increased by 1 to 1.5 percent compared to a year ago.

More fully satisfying the growing needs of the CEMA countries' populations for high-grade food products and expanding their assortment in accordance with the implementation of measures to solve the food problem is the goal of the fraternal countries' food industry. The gross output of this sector in the

CEMA countries as a whole increased by 4 percent as compared to 1982; at the same time the industrial production of meat increased by 5.9 percent, animal fat by 12.2 percent, and vegetable oil by 6.5 percent.

The data for the individual CEMA countries is presented in Table 3.

Table 3

Таблица 3 (1)								
(1983 г. в % к 1982 г.) (2)								
	(3)	(4)	(5)	Республика Куба	(7)	(8)	(9)	(10)
	БГЛ	ВНР	ГДР		ПНР	СРР	СССР	ЧССР
Мясо (11)	104	108	103	102	93	107	110	102
Масло животное (12)	104	103	109	104	116	124	113	108
Масло растительное нерафинированное (13)	110	98	121	125	117	107	106	103
Сахар (14)	103	104	94	...	110	...	103	94

KEY: (1) Table 3	(8) Romania
(2) 1983's production in percentages of 1982's production	(9) USSR
(3) Bulgaria	(10) Czechoslovakia
(4) Hungary	(11) Meat
(5) GDR	(12) Animal Fat
(6) Republic of Cuba	(13) Unrefined vegetable oil
(7) Poland	(14) Sugar

Increased deliveries of agricultural output for subsequent processing aided this sector's progress.

In spite of the unfavorable weather conditions in a number of countries, agriculture in the CEMA countries on the whole developed successfully. The sector's volume of gross output in 1983 increased by 3 percent as compared to the previous year. The gross harvest of grain and legume crops in the CEMA countries on the whole totaled about 290 million tons. The countries' efforts to increase the stability of agricultural production through the consistent implementation of measures to strengthen its material and technical base are beginning to have an effect. The CEMA countries' average annual volume of gross agricultural output for 1981-1983 was 3 percent higher than the average annual volume for 1976-1980. Figures on deliveries of the basic types of equipment and fertilizers for agriculture testify to the sector's volume of capital investments. For example, agriculture in the CEMA countries as a whole in 1983 received 119,000 tractors, 58,000 combines, and 34,000 tons of mineral fertilizers, which is an increase of 3 percent, 6 percent, and 8 percent respectively in the number as compared to 1982.

In accordance with the CEMA countries' plans for capital construction in 1983 capital investments were directed to strengthen the material-technical base of the national economy and to consistently carry out social programs. The CEMA countries' total volume of capital investments increased by 4 percent

as compared to the previous year; this includes by 31 percent in Vietnam, 10 percent in the Republic of Cuba, 13 percent in Mongolia, 7 percent in Poland, 3 percent in Romania, 5 percent in the USSR, and 1 percent in Czechoslovakia. The GDR's capital investment volume maintained the previous year's level, Bulgaria's decreased by 4 percent, and Hungary's by 3 percent. At the same time investment activity in the past year was characterized by further successes in intensification and in increasing the effectiveness of capital investments by concentrating them in priority sectors and on construction starts and through the modernization of existing fixed capital, especially its active portion such as machines and equipment.

Last year the CEMA countries carried out many large-scale measures directed primarily at developing their material production. The Urengoy-Pomary-Uzhgorod export gas trunkline, a technical-engineering structure unique in world experience, has been put into operation ahead of schedule. The total complex of the Erdenet Mining-Concentrating Combine has been put into operation at full rated capacity. These joint construction projects are especially important to provide an uninterrupted supply of fuel and raw materials to the CEMA countries' growing industry. New power units have been commissioned and electric power stations, chemical and metallurgical combines, railroads and highways, and other projects important to the national economy constructed.

The development of the CEMA countries' transportation system in 1983 conformed to the tasks of broadening the internal economic and international ties of the CEMA countries and of satisfying completely and promptly the transportation needs of their national economies and populations.

The CEMA countries' freight shipment by all types of general use transportation reached 15.6 billion tons in 1983, which is somewhat higher than in 1982, and freight turnover for this same period increased by 3.9 percent, totaling 7.2 trillion ton-kilometers.

The efforts of the fraternal countries' transport workers were directed to further increase the efficiency of transport work by raising labor productivity and reducing unit transportation costs on the scale of the entire national economy.

The CEMA countries' foreign trade, which characterizes the states' participation in the international division of labor, continued to develop successfully. Their foreign trade turnover as a whole in the past year amounted to 285 billion rubles, an 8 percent increase in current prices as compared to 1982. During this period the reciprocal commodity turnover of the countries of the socialist commonwealth rose 11 percent, reaching approximately 167 billion rubles. It accounted for 58.7 percent of CEMA's entire foreign trade. Improvement of its structure continued through increasing the share of finished goods, especially those with a high degree of processing, and decreasing the share of raw and processed materials.

The results achieved by the CEMA countries in 1983 in developing material production created a solid basis for further raising the workers' material well-being.

Real per capita incomes rose by 2 percent in the fraternal countries during the year; this includes by 2.8 percent in Bulgaria, 0.5 percent in Hungary, 2.3 percent in the GDR, 3.4 percent in Mongolia, 2 percent in the USSR, and 1.9 percent (monetary incomes in real terms) in Czechoslovakia. At the same time, as in previous years, the wages of workers and employees as well as incomes from labor payment in agricultural cooperatives remained the basic source for their formation.

Along with monetary incomes, public consumption funds play a continuously growing role in the formation of the real incomes of the CEMA countries' populations. Through them workers receive education, medical assistance, and other services free of charge. Pensions, stipends, and grants, whose share in the total volume of funds allotted for social and cultural measures is continually increasing, are paid from these funds. The public consumption funds for individual CEMA countries increased in 1983 as compared to 1982; 3.6 percent in Bulgaria, 9 percent in Hungary, 2 percent in the GDR, 4 percent in Mongolia, 4.6 percent in the USSR, and 3.6 percent in Czechoslovakia.

The expansion of consumer goods production corresponded to the growth of the monetary incomes of the population in the fraternal countries. The volume of the retail commodity turnover of state and cooperative trade, including public catering, increased. The supplying of food and manufactured goods to the population improved.

The CEMA countries, as before, are firmly holding onto first place in the world for the scale of housing construction. Using all sources of financing, the fraternal countries built 2,839,000 apartments in 1983.

The socio-economic results achieved by the fraternal countries in the past year testify to the inexhaustible creative activism and labor energy of the people of the socialist society and serve as a pledge for the successful fulfillment of the five-year plan as a whole.

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USSR-CEMA TRADE

LDC COOPERATION WITH CEMA: WESTERN VIEWS REFUTED

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 8,
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[Commentary by Sergey Balashov and Pavel Sedov, USSR candidates of economic sciences: "Equal Cooperation and Falsehoods of Anticommunists"]

[Text] One of the most important special features of contemporary international economic relations is the increased role in these relations of the young national states of Asia, Africa and Latin America. Having attained their political independence in a stubborn struggle with imperialism, they set for themselves the goal of building a new and independent economic system and of changing their place in the world economic system. Their natural allies in putting this goal into practice are the countries of the socialist community that are creating a powerful counterbalance to imperialist dictates.

The economic and scientific-technical cooperation of the CEMA member countries is being carried out on the basis of respect for state sovereignty, independence and national interests, noninterference in the internal affairs of countries, full equality of rights, mutual advantage, and friendly reciprocal assistance. The socialist type of international relations is proving its true democratic character in practice. "Consistently putting into practical effect the principles of international relations of a new type in their reciprocal cooperation as well as in relations with other countries," emphasizes the declaration adopted at the highest level at the economic conference of CEMA member countries, "the socialist states are making an effective contribution to the rebuilding of international economic relations on a fair and democratic basis."

Such a course in the world historical process does not, however, suit the West's reactionary circles, which, in conducting a policy of neocolonialism in relation to the countries of the Afro-Asian and Latin American regions, are doing all that they can to undermine the ties between the developing and socialist states. In this regard, an important role is assigned to ideological diversion against the socialist world. In particular, the economic and scientific-technical cooperation of liberated countries with CEMA member countries, its principles, content and scope have become objects of falsifications by bourgeois propaganda.

In one formulation or another, Western propaganda is making extensive use of the theme on the "insignificant" scale of the commercial and economic

cooperation of CEMA member countries with the young liberated states.¹ There are frequent assertions that in the foreign policy of the countries of the socialist community very little attention at all is being paid to the requirements and needs of the developing world, which supposedly follows from the materials of the party congresses of the CEMA member countries.² There are also fleeting statements on the "autarkism" of the council, and on the striving of the countries of socialism to create a closed economy and thus fence themselves off from capitalist and developing states.³

Approach on Principle

The mentioned and similar theses of Western "specialists" are clearly meant for the poorly informed reader, for they contradict concrete facts. It is sufficient to become familiar with the materials of the congresses of the communist and worker parties of the CEMA member countries to be convinced of the fundamentally important place in the foreign policy of these countries that is assigned to the relations with the developing states. For example, a special section of the Accounting Report of the CPSU Central Committee to the 26th CPSU Congress is dedicated to relations with them. It notes the remarkable expansion in cooperation with countries that have freed themselves from colonial oppression. The willingness of the USSR to contribute in practice to the establishment of fair international economic relations was emphasized. There was special emphasis on the position that the CPSU will continue to follow a consistent course for the development of cooperation between the USSR and the liberated countries and for the strengthening of the union of world socialism and the national liberation movement.

At the 12th Bulgarian CP Congress, it was noted: "Significant growth characterizes the reciprocal relations with developing countries. Political contacts have been activated and cultural ties expanded. We are carrying on extensive economic and scientific-technical cooperation with the predominant part of the countries of Asia, Africa and Latin America, we exchange experience with them, and we are assisting them in the construction of a number of industrial and other projects and in the creation of agroindustrial complexes. Thousands of Bulgarian specialists are helping in the establishment of the economic system of these countries."

The SED Central Committee Report to the 10th SED Congress named as one of the main foreign policy goals "active anti-imperialist solidarity with all peoples struggling for their national and social liberation. Development of multifaceted cooperation with the states of Africa, Asia and Latin America. Lending of support in the struggle for a new international economic order based upon equality of rights."

Proceeding from the principles of their foreign policy course, the socialist countries support the struggle of the young nations for the establishment of fair, equal and mutually advantageous world economic relations. In the West, in the mean time, they are striving to conceal the motives, bases and specific measures of the CEMA member countries to democratize international economic relations and, showing contempt for the facts, they are making a lot of noise about the supposed inadequately active participation of CEMA member countries

in the "North-South" dialogue, that is, in the question of the establishment of a new international economic order.⁴

It is not, however, superfluous to remind ourselves of the fact that in December 1974, at the 29th Session of the UN General Assembly, precisely with the support of the socialist states, the developing countries attained the adoption of the Charter on Economic Rights and Obligations of States, which turned out to be one of the program documents of the developing world in the struggle to establish international economic relations based upon equality of rights. Before that (in the first half of the 1960's), the cooperation of the young liberated states with socialist countries led to the convocation of the UN Conference on Trade and Development (UNCTAD) and to the creation of the UN Industrial Development Organization (UNIDO). At the UNCTAD sessions, which had an anti-imperialist and anticolonial orientation, thanks to a considerable degree to the energetic efforts of the socialist countries, resolutions were adopted on improving the conditions for exports from developing countries to industrially developed capitalist countries, on special privileges for the least developed countries, on the elimination of trade barriers other than tariffs, and others. With the help of UNIDO, despite the resistance of imperialist powers, the developing countries are counting on attaining the industrialization of their economies and thus freeing themselves from the role of being the backward and exploited periphery of the world capitalist economic system.

In the Political Declaration adopted in January 1983 in Prague, the participants in the Warsaw Pact again expressed their approach on principle to the restructuring of international economic relations.

Open Nature of CEMA Work

The consistent course of the countries of the socialist community for the development of equal and mutually advantageous cooperation with the liberated countries is also expressed in the founding documents of CEMA. Thus, the Complex Program for the socialist economic integration of CEMA member countries, adopted in 1971 and determining the long-term prospects for their cooperation, emphasizes that socialist states "will continue to develop economic and scientific-technical ties with other countries regardless of their social and state system based upon the principles of equality of rights, mutual advantage and observance of sovereignty. In this connection, they will assign special importance to further expansion in trade as well as economic and scientific-technical cooperation with developing countries." The Complex Program makes it possible for any country that is not a member of CEMA to participate in its implementation fully or in part.

These positions on the Complex Program, being a concrete personification of the council charter, are convincing evidence of the open nature of CEMA activities, proving the lack of foundation for the assertions of bourgeois ideologists about its "autarkism."

The facts are also convincing. Thus, the agreement on cooperation between CEMA and Mexico signed in 1975 continues to be put into effect. Meetings of a mixed commission are carried out, working groups have been created for

scientific-technical cooperation and for cooperation in the area of fishing, and work is being carried on in some subjects in which agreement has already been reached. As was repeatedly emphasized in the speeches of official representatives and the president of the country, Mexico will expand its ties and comprehensive cooperation with CEMA member countries. Cooperation is also being carried out in accordance with an agreement between CEMA and Iraq.

At the present time and on the invitation of the council, Angola, Afghanistan, the People's Democratic Republic of Yemen, Mozambique, Ethiopia and Laos are participating in meetings of CEMA sessions as observers. "The granting of the status of observer at CEMA to our country," declared the Yemeni representative, "is an important and progressive step on the way to the strengthening of ties with socialist countries, and it is the main factor for the use by Yemen of their experience and support in the process of economic and social development as well as extension of the progressive transformations and achievements taking place in Democratic Yemen."⁵ In his opinion, participation in the work of CEMA sessions will make it possible to acquire working experience in the scope of CEMA.

Such are the true facts and assessments reflecting the fundamental striving of the socialist community to develop cooperation with all countries regardless of their social system, a striving that results from the very essence of socialism and is integral element of the policy of peace and relaxation of tensions being carried out by CEMA participants.

Rapid Pace and Advantages of Cooperation

This fundamental line finds its practical personification in the scale and tendencies in cooperation with the developing world. Thus, the average annual increase in the goods turnover of CEMA member countries with developing states in the years 1961-1982 (14.2 percent) is one of the most dynamic indicators in world trade. In absolute terms, the reciprocal trade volume increased during this period from R1.7 billion to more than R30 billion. A natural result of the consistent expansion of ties with Afro-Asian and Latin American states was the increase in their relative weight in the commodity turnover of CEMA member countries from 4.5 percent in 1950 to 6.9 percent in 1960 and to 11.7 percent in 1982. In addition, this indicator has a tendency to increase steadily.

At the same time, commercial relations of CEMA member countries with developing nations are expanding geographically. In the 1970's alone, the number of young states that are trade partners of the countries of the socialist community doubled and reached 100. Afghanistan, India, Ethiopia and Algeria are among the largest of them. Trade is actively being developed with Bangladesh, Morocco, Nigeria, Tunis, Argentina, Brazil and other countries.

One of the most important and dynamic directions in the foreign economic activity of the countries of the socialist community is that of their economic and technical assistance to developing nations. The aid is in accordance with the goals of their social and economic progress and to strengthen their independence and it is being increased continually. In the 1970's alone, the overall volume of commitments of CEMA member countries to provide economic and technical

aid to developing nations almost tripled. At present, with the assistance of CEMA member countries, more than 5,000 industrial enterprises and other projects are being constructed or are to be constructed. Of these, 3,300 have been put into operation. At the beginning of the 1960's, CEMA member countries provided economic assistance to 34 developing nations. By 1970, it was 62, and in 1983, there were already 97 countries receiving aid, of which 30 were in Asia, 45 in Africa and 22 in Latin America.

The CEMA member countries are developing relations with all liberated nations regardless of their social and political orientation. A graphic example is India, where, with the assistance of the countries of socialism, about 400 industrial enterprises and other projects have been constructed or are under construction. Approximately 80 percent of them have already been put into operation. One of the most important projects in the cooperation of CEMA member countries with independent Africa is their participation in the building of a metallurgical complex in Nigeria. Bulgaria, the GDR, the USSR and the CSSR are participating in the construction of this giant complex for ferrous metallurgy, the largest in all of tropical Africa.

Understanding the obvious lack of foundation for the assertions about the "insignificance" of the scale of cooperation of CEMA member countries with developing nations, some bourgeois journalists mainly "criticize" the principles and content of this cooperation. For example, targets of frequent attacks by the Western press are the state monopoly of foreign trade in the countries of the socialist community, which supposedly hinders the expansion of their commercial ties with the developing world, and the planned economic system that allegedly is not sufficiently "flexible."⁶

The orientation of these and similar assertions is clearly to discredit the economic system of fraternal countries, including its economic sector, and, on this basis, to weaken the relations of the liberated states with CEMA member countries. But life itself shows the lack of foundation for such forecasts. It is precisely the state monopoly of foreign trade and the planned economic system of the socialist countries that ensures the stability of the commercial exchange of the developing nations with the countries of socialism. The planned and crisis-free economic system of the latter guarantees a consistent increase in demand for goods produced by developing nations, which allows them to alleviate the negative consequences of crises in the world capitalist market with a corresponding increase in shipments from CEMA member countries.

The growing practice of concluding long-term trade agreements (for example: USSR-Guinea, Poland-Algeria, Hungary-Libya, CSSR-Libya, and others), considered in the national plans of both groups of nations, also contributes to the purposeful improvement in the structure of the reciprocal commodity turnover. Representatives of developing countries, in particular the renowned African economist O. Fadzhana, point to the planned economic system and the foreign trade monopoly of the CEMA member countries as the most important preconditions for planning the foreign trade of the young nations.

Finally, planning ideas, convincingly confirmed by the successes in the social and economic development of the countries of socialism, are finding more and

more understanding and recognition in the developing nations. Thus, R. Gardiner, one of the paramount African economists, for many years head of the UN Economic Commission for Africa, stressed: "Take just the idea of economic planning. The former colonies have to solve so many problems in the economic, political and social areas that without state planning they cannot attain success. It is precisely the overall national development plan that shows the most important directions in which the entire society must concentrate its efforts in the struggle for economic independence. The extremely rich experience of the USSR in this area gives us quite invaluable help."

This is why, despite the pessimistic forecasts of the Western press, cooperation with a number of young nations is taking on more and more significance in the area of planning. Specialists from the countries of the socialist community are taking part in the working out of national plans for their economic development both on a bilateral basis as well as according to the UN line. For many years, there has been cooperation between the planning organs of Hungary, the GDR and the USSR, on the one hand, and India on the other. Specialists from the USSR, Cuba and Bulgaria took part in preparing Angola's first five-year plan. In accordance with an agreement, GDR planning organs are providing continual help to Tanzania in drafting current and future plans and in training national specialists in the planning area. In 1980, the government heads of Bulgaria and Libya signed an agreement on strengthening and increasing the role of planning principles in Bulgarian-Libyan economic relations.

Graphic evidence of the growing influence of the ideas and methods of socialist planning in the countries of Asia, Africa and Latin America is the fact that the United Nations Institute of Teaching and Research (UNITAR) assigned the development of a general theoretical concept for planning in the liberated nations to a group of scientists from the USSR, Bulgaria and the GDR. The joint work was concluded with the publication in Russian, English, French and Spanish of the book "Theory and Methodology of Planning in Developing Countries," where a profound Marxist-Leninist theoretical analysis is given for this complex and extremely topical problem.

On the Basis of Equality and Mutual Advantage

The reactionary bourgeois press zealously propagandizes the theses on the "aggressiveness" of the foreign economic policy of CEMA member countries, its "imperialist" nature, and its subordination exclusively to the economic interests of the socialist states.⁷

Meanwhile, the facts already presented refute these fictions. The socialist states are not seeking unilateral advantages in Asia, Africa and Latin America, and they are not striving for economic supremacy. They do not have their own companies there greedily fighting for maximum profits. Of special importance for the liberated nations is the fact that socialism does not allow the exploitation of some countries by others. Such is the new type of socialist international relations affirmed by socialism, which excludes all forms of exploitation and subjugation of other countries and peoples. In the trade and economic relations of CEMA member countries with all of the nations of the world, there is no place for speculative operations, for the setting of monopolistic prices, or for the use of the commodity turnover and foreign-exchange, credit and other

relations as a means for applying economic pressure and for political interference in internal affairs, which is characteristic of the imperialist powers and transnational corporations.

The cooperation of CEMA member countries with developing nations is frequently equated with the "aid" of imperialist powers. The effectiveness of the commercial-economic and scientific-technical ties between the socialist and the developing countries is being concealed and doubt is being cast upon the significance of these ties for the elimination of the economic backwardness of the latter.⁸

Assertions of this type, however, are groundless. The following data are evidence of the significance of projects constructed in cooperation with socialist states for developing countries: at the beginning of the 1980's, just at projects built with the help of the USSR, about 7.5 million tons of cast iron, 5.7 million tons of steel and 205,000 tons of aluminum had been produced, and the total amount of electric power produced exceeded 33 billion kilowatt-hours. In Syria, 65 percent of the country's total electric power was produced at these projects. It is 60 percent in Afghanistan and 23 percent in Morocco.

In regard to imperialist "aid" to developing countries, it is directed toward consolidating the bourgeois system there and toward conserving their position in the world capitalist economy as a dependent and exploited periphery. In providing "aid," the imperialist powers, above all the United States, are seeking a military penetration into the liberated world. K. Malima, prominent African economist and Tanzanian planning minister, wrote: "...the paradox in the use of capitalist and imperialist 'aid' to poorly developed countries is in the fact that the more financial and technical resources a country receives, the greater is its indebtedness and the deeper its dependence."

Developing countries lose up to \$300 billion annually as a result of the unequal economic relations with the countries of the capitalist world. Of this sum, \$30 billion represents extreme profits annually transferred to the West by transnational corporations exploiting the natural and human resources of the countries of Asia, Africa and Latin America. The liberated countries annually pay out as much as \$130 billion for debts that are accumulating as a result of the receipt of Western "aid." These data were provided by N.P. Singh, chairman of the Nepalese Committee of Peace Supporters at the international seminar "Development and Peace" that took place in April 1984 in Katmandu.

Inequality of rights is the distinguishing characteristic of the relations between mature capitalist and developing countries. And in a letter to the very leaders of the advanced capitalist states, the presidents of Argentina, Brazil, Venezuela, Colombia, Mexico, Peru and Ecuador demanded that they put an end to the discriminatory economic policy in relation to Latin America (June 1984).

The imperialist states, however, use every pretext in not wanting to change the existing situation. They are pleased with the plundering of the developing countries, a plundering that permits them to finance the unrestrained arms race and allows the transnational corporations to receive fabulous profits and surplus profits. This was again demonstrated at the London conference of the

leaders of the seven largest capitalist states. The problems of profound concern to the developing countries were shunted aside. They limited themselves to declaratory statements of a general nature, which cannot conceal the cruel exploitation of the economically weaker countries of Asia, Africa and Latin America by the industrially developed capitalist countries, above all the United States.

"In the light of what happened at the conference of 'the seven'," it was noted in the answers of K.U. Chernenko to the questions by the newspaper PRAVDA, "it is evidently not superfluous to recall the position of the USSR and the socialist countries, which consistently come out in favor of a restructuring of international economic relations on a fair and democratic basis. This was just recently affirmed with renewed force by the high-level CEMA conference that took place in Moscow. Other than its direct task of reducing the military threat, our tireless and one can say--without exaggeration--energetic struggle to put an end to the arms race serves to switch the enormous material resources that have become available to purposes of raising the well-being of nations, to needs in health, culture and education, and to the construction of housing. A significant part of the thus freed resources could go to help the peoples of the developing countries. We also follow this line in bilateral relations and we defend it at international forums, including the United Nations. We will be guided by this in the future as well."

Socialism's course on principle is encountering the profound understanding and support of the developing nations. Thus, speaking at the 26th CPSU Congress, K.A. Kamara-Taylor, vice president of the Republic of Sierra Leone, declared: "At the present time, Africa is striving to solve the difficult social and economic problems facing our continent, which for centuries suffered under colonial exploitation and plunder. In striving to satisfy the intellectual and material needs of our people through the achievements of social progress, we in the developing countries highly value the fraternal solidarity of the USSR and other socialist countries. We have every reason to rely firmly on their further help, as they are the allies of all oppressed peoples."

In evaluating the development of commercial and economic cooperation between the socialist states and the countries of Africa, objective researchers from these countries stress that it is making a substantial contribution to the development of the national economic system of the countries of the continent, is helping to implement their national economic programs, and is assisting in the realization of those projects that Western powers declined for one reason or another (Aswan Hydroelectric Power Station, for example). It is also noted that the technical help of the socialist countries diminishes the dependence of African nations on transnational corporations, whose commercial policy often contradicts the political and economic interests of the young nations. They also pay attention to the fact that the economic relations between the two groups of countries are based upon favorable conditions. The socialist states provide the developing countries of Africa with credits for shipments of equipment and for other purposes at a low rate of interest and with a long payoff period.

At the joint conference of the UN Economic and Social Commission for Asia and the Pacific Ocean (ESCAPO) and UNCTAD on questions involving the commercial and economic

cooperation between the developing countries of the Asian-Pacific Ocean region and the CEMA member countries (Bangkok, 1983), note was made of the great significance for the young nations of the experience in solving economic and social tasks in the socialist countries, and the mutually advantageous nature of the business ties between the two groups of these countries was pointed out. It was emphasized that during the last decade the transition has practically been completed to many-sided cooperation with the application of such forms meeting the requirements of the times as long-term trade agreements, construction of projects by general contract, resolution of current questions at the level of mixed intergovernmental commissions, etc.

Scientific-Technical Potential of Socialism--To Serve Development

Western ideologists also like to juggle the thesis on the "inefficiency" of scientific-technical cooperation between socialist and developing states, and on the "backwardness" of the technology of CEMA member countries. They believe that such cooperation can be effective only under the condition that socialist countries first receive Western technology.⁹

But in the case at hand, our "critics" are deviating from reality. Experience shows that CEMA member countries are providing significant scientific/technical aid to Afro-Asian and Latin American nations. And, in contrast to the imperialist powers, this aid is concentrated on that fundamental and applied research whose results most closely correspond to the successful resolution of the main national economic problems of the young nations (development of energetics, agriculture, a food base, and others).

Thus, with the aid of the GDR in India, the first scientific-technical center in Asia for the study of the upper layers of the atmosphere was constructed and supplied with up-to-date equipment. It is playing an important role in forecasting atmospheric and weather conditions for the country's main agricultural regions. Cooperation with Soviet scientists, engineers and technicians has permitted India to achieve significant successes in a number of areas, including the building and launch of artificial earth satellites and their use for geological, geophysical and meteorological research of great significance for the national economy of the country. The joint Soviet-Indian space flight in April 1984 was a clear example of the great scientific and practical importance of this cooperation.

The contemporary technology and the corresponding technical documentation passed on to the young nations by CEMA member countries made it possible for some of them to set up the production of agricultural machines, to assimilate modern methods for the manufacture of fabrics, the transmission of electric power over long distances, and the continuous pouring of steel, and to introduce other technical achievements. In recent times, a significant part of the orders for the delivery of technology to the developing nations from the CEMA member countries is determined as a result of international competition for the best project and international auctions. This attests to the high technical level of engineering-design and planning decisions and to the outstanding quality and competitiveness of the equipment as well as to its high reliability and economic soundness.

In Guinea, for example, the planned capacity of a bauxite mining complex in Kindia, constructed with the technical aid of Soviet organizations, was reached the second year after it was put into operation. At the same time, Guinean Bauxite Company, a mixed enterprise with the participation of Western capital, attained only about 70 percent of its planned capacity in the third year of operation of the complex. The technology acquired by an Italian firm building a tannery in Libya for tanning hides was developed by Polish specialists. Is this not an indication of the great authority of the science and technology of fraternal countries, and does this not refute the idea of their dependence upon Western technology?

An important form of transferring technology to developing countries is the provision of aid in the creation and work of planning and engineering-design organizations. Hungary, Poland, Romania and the USSR took part in the formation of such organizations in India. Similiar organizations were established with the aid of Bulgaria in Libya and Ethiopia; of the GDR in Nigeria and Syria; Poland in Egypt; Romania in Zambia; the USSR in Algeria, Afghanistan, Iraq and Nigeria; and the CSSR in Argentina and Brazil.

These organizations play an important role in raising the national economic efficiency of the projects that they serve. To a considerable degree, their successes are explained by the high skills of specialists from CEMA member countries, who, in contact with local personnel, know how to find optimum solutions to specific problems with consideration given to the needs and possibilities of the developing countries.

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The importance of commercial and economic cooperation between the developing countries and the CEMA member states is determined by the fact that it accelerates the development of the productive forces of the young nations, creates the preconditions for raising the standard of living of their peoples, serves as an important means of transferring technical and organizational experience and knowledge as well as the theory and practice for building a state, strengthens the positions of the liberated countries in the struggle against the despotism and dictates of imperialist monopolies, and contributes to the elimination of the unequal position of the developing world in the international capitalist division of labor.

This is why all of the efforts of bourgeois propaganda to discredit the scope and content of the commercial and economic policy of the countries of the socialist community in the young national states are futile. Every day, life itself gives more and more new indisputable proofs to the countries of Asia, Africa and Latin America of the advantages of cooperation with the USSR and other CEMA member countries, who, in the declaration adopted at the highest level at the economic conference, stressed that "they will in the future expand their cooperation with developing countries, proceeding from the fact that this will help to elevate their national economies, to strengthen the economic independence of the indicated countries, and to develop mutually advantageous economic ties with them." Such is the strategic line of the countries of socialism in relation to the young national states.

FOOTNOTES

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PRIORITIES IN 1984 PLANS OF CEMA MEMBERS EXAMINED

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 7, 1984
(signed to press 16 Jul 84) pp 67-71

[Article by Yevgeniy Gavrilov, Miklosh Kasish, and Boris Lakhov, CEMA Secretariat, under the rubric, "Activity of CEMA Agencies": "Priority Plans for the Socio-Economic Development of CEMA Member-Countries for 1984"]

[Text] The state plans for socio-economic development for 1984 approved by the supreme legislative organs of the CEMA countries conform to the economic strategy outlined by the congresses of the communist and worker's parties. The characteristic common feature of these plans is their orientation to solving the most important socio-economic goal--the further raising of the people's standard of living.

The consistent performance of this task is planned by developing the economy in a dynamic way, increasing the efficiency of social production on the basis of utilizing the achievements of scientific-technical progress, intensive growth factors, and the advantages of the international division of labor.

The Basic Indicators of National Economic Plans

The CEMA members' state plans for 1984 are aimed at strengthening and developing the successes of 1983 in the national economy. In accordance with this, stable rates of economic growth are outlined in the plans. National income in 1984 as compared to 1983 will rise 3.8 percent in Bulgaria, 1.5 to 2.0 percent in Hungary, 4.4 percent in the GDR, 5.5 to 6.0 percent in Cuba, 6.0 percent in Mongolia, 2.6 percent in Poland, 7.3 percent in Romania, 3.1 percent in the USSR, and 3.0 percent in Czechoslovakia. The increase in national income will be achieved while decreasing production costs.

The plans for the next to last year of the current five-year plan contain an extensive program for developing and improving the sectors of the national economy, strengthening their material-technical base, raising the technical level of production and output quality, and improving the infrastructure of the national economy. The volume of industrial production in 1984 as compared to 1983 will rise by 5.0 percent in Bulgaria, 1.5 to 2.0 percent in Hungary (with a decrease in the number of people employed), 9.5 percent in

Vietnam, 4.2 percent in the GDR (commodity output by industrial ministries), 7.8 percent in Mongolia, 4.5 percent in Poland, 6.7 percent in Romania (value of commodity output), 3.8 percent in the USSR, and 2.9 percent in Czechoslovakia.

In accordance with the decisions of the communist and workers' parties and the governments of the CEMA countries, special attention will be devoted to increasing the role of intensive factors of economic development, above all increasing labor productivity, utilizing production capacities better, and improving administration, planning, and methods of economic management.

During the year labor productivity in industry should rise by 4.0 percent in Bulgaria, 5.0 percent in Vietnam, 3.5 percent in the GDR, 2.5 to 3.0 percent in Cuba, 2.2 percent in Mongolia, 8.0 percent in Romania, 3.4 percent in the USSR, and 2.6 percent in Czechoslovakia. In Hungary an increase in industrial production will be achieved with an anticipated decrease in the number of people employed, while in Poland this will be done under the conditions of the structural changes being planned.

By increasing labor productivity Cuba, for example, proposes to obtain more than 50 percent of the total increase in national income, the USSR--97 percent, and Czechoslovakia--86 percent.

The Economic and Rational Use of Material Resources

A further increase in the effectiveness of social production should be ensured by increasing the level of management, utilizing production potential more completely, and conserving material, labor, and financial resources by every means possible. Additional reserves for increasing labor productivity, lowering the prime cost of output, and increasing profits will be sought.

Bulgaria's material expenditures per 100 levs of output are to be lowered 0.57 levs. As a result of the implementation of programs and measures to conserve energy and materials, as well as of a program to rationalize the consumption of materials and introduce economical technologies. Bulgaria's expenditure of materials in industry should be reduced by 0.5 to 1.0 percent. A very significant savings in energy carriers will be achieved.

In Vietnam the prime cost and commodity distribution costs of the centralized state sector will be decreased by 3.7 percent as compared to 1983. In the GDR the task has been posed to lower the prime cost per every 100 marks of commodity output by the industrial ministries in 1984, as compared to 1983 to 97.1 percent and material expenditures--to 96.7 percent. In Cuba the prime cost of output produced should be decreased by approximately 2.0 percent for the entire economy as a whole.

In Poland an increase in the volume of industrial production will be attained with a simultaneous decrease in its material intensiveness of 2.0 to 2.5 percent. Romania envisions a further decrease in expenditures per 1,000 leus of commodity output in 1984.

The USSR has established intensive targets to conserve 70 kinds of material and fuel and energy resources for this year: about 2.7 million tons of rolled ferrous metals, more than 9 million cubic meters of timber materials, about 2 million tons of cement, and so forth will be saved; the overall savings in light petroleum products, boiler and furnace fuel, and electric and thermal power should total 40 million tons of standard fuel; the metal intensiveness of the national income will be reduced by 2.5 percent and the energy intensiveness by 1.5 percent.

Considering this an additional target, the Soviet people enthusiastically responded to the appeal of the December (1983) Plenum of the CPSU Central Committee to achieve an above-plan increase in labor productivity of at least 1.0 percent and lower the prime cost of output by another 0.5 percent.

Czechoslovakia has posed the task to conserve material resources in the national economy while further increasing profitability, profit, and the turnover tax.

The Main Tasks of the Plans

The rates of economic development of the countries of the socialist commonwealth depend to a great extent on the rates of scientific-technical progress (NTP). For example, Bulgaria's plan for developing the national economy envisions the fulfilling of very broad programs for automating and introducing electronics into production and using material resources efficiently. About 700 million leva are being allotted for the material-technical base of scientific research and engineering and design work. The results of 344 scientific-technical developments are to be implemented and introduced into the national economy. These developments concern the creation of new and improvement of existing technologies for items and the automation of production processes.

Micro-electronics will be extensively introduced into the GDR's national economy and flow lines will be modernized through the use of industrial robots. The task is being posed to decrease the length of time between the beginning of scientific research and experimental-design work and the full introduction of their results into production. In 1984 a 572 million hour savings in work time is to be obtained through NTP measures in industry and construction and the volume of production of new items in industry is to be raised up to 66.3 billion marks.

In the Soviet Union the plan has established more than 1,150 targets to assimilate new kinds of equipment into production and more than 380 targets to introduce progressive technological processes and means for the mechanization and automation of production. In all about 3,900 new kinds of machinery, equipment, instruments, and materials are to be assimilated. There will be 509 automated systems for controlling technological processes and new general purpose electronic computers put into operation. In 1984 scientific-technical measures will ensure a savings of 3.9 billion rubles from lowering the prime cost of industrial output. About 700,000 people will be hypothetically released in industry through this factor.

Plan Targets in the Sphere of Material Production

The development of material production as the base which ensure a steady rise in the people's well-being has always been at the center of attention of the communist and workers' parties and governments of the countries of the socialist commonwealth. In accordance with the plans for 1984, along with accomplishing a further general growth of industrial production, improving its sectorial structure, and raising item quality and reliability, the CEMA members are singling out priority sectors whose more rapid development conforms to the strategic tasks of economic growth in the individual countries.

In Bulgaria accelerating rates of growth are planned for machine building and electronics, whose output will increase by approximately 10.2 percent with a decrease in metal intensiveness and an increase in the complexity of the items. Chemical industry production will increase 8.9 percent, primarily the output of low-tonnage chemicals, plant-protecting chemicals, medicines, chemical and pharmaceutical compounds, perfume and cosmetic items, household chemicals, and dyes for the textile industry and others.

In accordance with the strategic task of making the national economy more balanced and of maintaining external solvency, Hungary envisions increasing the share of output intended for export in the total volume of production. At the same time the output of machine building products will be increased by rates which exceed the average rates of industrial production. The export of machine building products must be increased primarily through deliveries of products of the motor vehicle and machine-tool industries, communications equipment, computer, vacuum and agricultural equipment, metal-cutting machine-tools, equipment for the food industry, electronic equipment, medical instruments, and durable consumer goods.

The output of chemical products should be increased at more rapid rates than the average rates of development of industrial production in order to better satisfy the growing needs of agriculture and deliveries for export. The share of products with a higher degree of processing in the total volume of the output of chemical products will increase. A considerably larger amount of polypropylene, nitrogen fertilizers, medicines, protective chemicals for plants, and industrial rubber items will be exported.

The GDR plans to develop the electrical engineering and electronics industries, machine-tool and machine building for the manufacturing industry, agricultural and transport machine building, and the glass and ceramics industries at faster rates (2-4 points higher than the development rates of industry as a whole).

Cuba envisions increasing the gross social product basically by expanding the sugar industry, which will constitute more than 20 percent of the total increase in the gross social product. The production of agricultural crops and food industry output will make up 25 percent. Of those goods whose output will be most significantly increased in 1984, raw sugar (which will increase more than 10 percent), refined sugar (which will increase more than

three-fold), and pressed wood slabs (which will double) should be noted. The production of tobacco, citrus fruits, vegetables, root crops, and pork will increase as well. The fish and light sectors of industry will be developed. The production of machine-building industry products will increase by more than 10 percent, and building materials--by 13 percent.

In Romania the plan for 1984 establishes the following as basic priorities: expansion of the domestic raw materials and energy bases, intensive development of agriculture, and acceleration of production in the processing sectors of industry with a high technical level.

The Soviet Union envisions faster rates of development for group B, whose output will increase by 4 percent as compared to 3.7 percent for group A. The manufacturing sectors of industry will also be developed faster. Their output volume will increase by 4.4 percent, including the machine-building industry, whose output will increase by almost 6 percent.

A great deal of attention has been given to the solution of the fuel and energy problem, including the more rapid development of atomic energy. The production of electric power at atomic power plants will increase by 10.7 percent. The extraction of petroleum and gas condensate will be increased, the technical base of metallurgical production will be strengthened, and new capacities will be put into operation. Overtaxing production growth is envisioned for the efficient kinds and shapes of metal products. Accelerated rates will be observed in the agricultural and tractor machine-building industry.

The output of the instrument-making, electronics, and radio industries will be utilized more widely in the national economy. The production of industrial manipulators (robots) will exceed 11,000 units in 1984.

In accordance with the concept for developing the national economy, Czechoslovakia is continuing the process of the structural reorganization of the economy. Among those sectors of the national economy which are developing rapidly is the machine-building industry (an increase of 6.4 percent according to the 1984 plan), including the electrical engineering industry (a 10.5 percent increase).

Raising the People's Well-Being

The dynamic development of social production in the CEMA countries and the increase in its efficiency work to achieve the main goal of socialist production, a steady rise in the people's well-being and the satisfaction of the workers' material and spiritual needs. The plans for 1984 include a wide range of measures to increase and maintain the people's standard of living which has been achieved.

Real per capita incomes will increase in Bulgaria by 2.5 percent, in the GDR by 2.2 percent (the population's net monetary incomes) in Mongolia by 3.5 percent (workers' and employees' wage fund), in Poland by 1 to 2 percent,

in the USSR by 3.5 percent, and in Czechoslovakia by 1.6 percent (the population's monetary incomes). Hungary plans to maintain real per capita incomes at the 1983 level. The growth of the average nominal wage of workers and employees, as well as those working in production cooperatives will be 4.8 to 5.0 percent higher. Monetary payments from public consumption funds will exceed the level of the 1983 monetary payments by almost 12 percent.

Average monthly wages for workers and employees will increase by 2.5 percent in Bulgaria, by 5.0 percent in Romania (at the end of a stage of increasing wages as compared to 1980), and by 2.2 percent in the USSR. In Bulgaria the public consumption funds will reach 7 billion levs and will total about 780 levs per capita.

In the GDR services for the population from public consumption funds will total up to 76.4 billion marks in 1984. In the USSR public consumption funds will reach 139.5 billion rubles and will increase by 3.7 percent as compared to 1983.

Retail commodity turnover will be developed further. The volume of retail commodity turnover will increase by 4.2 percent in Bulgaria, by 2.2 percent in the GDR, by 4.0 percent in Mongolia, by 3.0 percent in Romania, by 5.4 percent in the USSR, and by 1.9 percent in Czechoslovakia.

In Poland the main socio-economic goals in the 1984 plan are: providing the population with food and manufactured consumer goods and creating conditions for a stable solution to the food problem, increasing housing construction, improving the population's supply of medicines and hygiene facilities as well as medical care, and social security for those population groups who are in the most difficult circumstances materially. The plan envisions some growth in real wages in accordance with the growth of the volume of production and the increase in labor productivity.

In order to satisfy the population's basic needs, in 1984 Poland will continue to implement four operational programs relating to public motor vehicle and railroad transport; supplying agriculture and the food industry with machines, equipment and so forth; safeguarding public health with basic types of pharmaceuticals, sanitation items, and medical equipment; and producing garment and knitted-wear industry goods for children and young people up to the age of 15.

Plans for housing construction in 1984 in the countries of the socialist commonwealth are extensive. For example, in 1984 Bulgaria will build 72,100 new apartments; Hungary--70,000 to 74,000 (this includes 11,000 state apartments while the remainder will be built using the population's own funds, loans, and state subsidies), and Vietnam--more than 250,000 square meters. In order to implement this program, as well as for the needs of the housing industry, and to preserve low apartment rent, 22 billion marks are being allocated in 1984.

The Republic of Cuba will complete construction of about 35,000 apartments through the efforts of state construction organizations. The sale to the population of building materials for the repair of existing housing will be increased and the construction of housing space with the population's own funds will continue. Mongolia will put 157,500 square meters of housing into operation. Romania will complete the building of 150,000 apartments. Measures will be adopted to stimulate the construction of housing using the population's own funds with state support through loans and materials.

Using all sources of financing, the USSR plans to build housing space with a total area of 109 million square meters during the year, which exceeds the five-year plan targets for this year by 6.6 percent. Increased rural housing construction is also planned. The volumes of cooperation and individual construction of housing will increase substantially. Czechoslovakia will hand over 90,000 dwellings for approximately 300,000 people.

The services sphere and the system of public health care, children's institutions, general educational schools, and cultural institutions will be further developed.

Capital Construction

The countries of the socialist commonwealth have planned extensive programs of capital construction in 1984. Carrying them out will make it possible to expand and partially renew the national economy's fixed capital and will promote dynamic economic development. The plans envision the priority directing of capital investments and material-technical and labor resources to the technical re-equipment and reconstruction of existing enterprises, and the reduction of the number of new construction starts and the volume of incomplete construction as well as of stocks of uninstalled equipment.

Bulgaria's total volume of capital investments will amount to 8.15 billion levs in 1984. They will be directed primarily to the building of such large-scale projects such as the Georgiy Damenov Copper Mining Combine, the Kozlodue AES (the fifth and sixth reactors), the chemical combine in Dimitrovgrad, the heavy machine building plant in Radomira, the construction of a metallurgical rolling mill-300 in Burgas and others.

Hungary envisions an approximately 10 percent reduction in the volume of capital investments compared with 1983. First of all, the number of new construction projects will be decreased and work at several projects already begun will be slowed down as well. The reconstruction of the Solnoks Paper Factory will be completed. The preliminary plans for other state capital projects will be implemented differentially and funds will be concentrated on achieving the main targets. Considerably more funds will be allotted for extracting and processing hydrocarbons and developing the telephone system than in 1983.

The construction of projects which raise the country's export capabilities, and promote efficient energy consumption, better utilization of materials, technological improvement and the utilization of waste products and raw materials will receive paramount attention.

Vietnam will increase the volume of capital investments by 32 percent as compared to 1983. These funds will primarily be directed to develop agricultural power engineering as well as the light and food industries. Fulfilling the plan for capital investments will make it possible to increase electric power production capacities by 110,000 kilowatts, put 350 kilometers of electric power transmission lines into operation, extract almost 500,000 tons of raw coal, obtain 5,000 tons of yarn and 200,000 tons of refined rice, and build grain storage facilities with a capacity of 230,000-250,000 tons and a refrigerating base for processing seafood.

The GDR will concentrate its capital investments on the planned increase in the production and utilization of domestic raw materials, introduction of new modern technologies for processing these raw materials and increase in labor productivity, as well as on the production of qualitatively new high-grade items for export and the satisfaction of the population's needs for consumer goods.

The Republic of Cuba's capital investment plan concentrates resources and funds principally on the completion of projects already begun, while restricting new projects to a minimum. The maximum possible level of using capital investments on the main projects being constructed in collaboration with the USSR is envisioned. This particularly involves the programs to develop the electric power, sugar, nickel, and petroleum industries. Fulfillment of the program to further develop public health care, the country's railroad system and port facilities, citrus growing, and the construction of refrigerators, tourist and water sports centers will be continued.

Mongolia's plan envisions a volume of capital investments in the national economy from all sources of financing amounting to 4.36 billion tugriks. Moreover, 60 percent of the construction and installation work is planned for projects which should be put into operation in 1984.

The gross volume of capital investments in Poland's national economy will total about 1,215 billion zlotys in 1984. As before, measures to limit the investment fund and raise the efficiency of investment activity will be adopted. It is planned to determine the necessary minimum of new capital investments for both state and local plans. Preference will be given to investments in the food complex (29 percent), housing (30.4 percent), as well as in fuel and energy (14 percent).

Enterprises' capital investment will be directed to the modernization and restoration of capacities which have a short pay-off period and are intended for the production of output for the domestic market and for export as well as to measures associated with the efficient expenditure of fuel, energy and raw and processed materials.

The total volume of capital investment in Romania's economy will increase by 4 percent as compared to 1983, equaling 252 billion leus. There will be 480 important industrial and agricultural animal husbandry production capacities put into operation.

The total volume of capital investments in the USSR's national economy as a whole from all sources of financing will reach 149.6 billion rubles or 3.9 percent more than in 1983; state capital investments will equal 129.4 billion rubles. The rates of growth of fixed capital put into operation will amount to 5.8 percent with a 5.2 percent increase in state capital investments. The technological structure state capital investments will be improved; the share of expenditures for equipment will be equal to about 42 percent. Capital investments will be directed primarily toward implementing the Food and Energy programs, accelerating the development of basic industrial and transportation sectors, and the technical re-equipping and reconstruction of existing enterprises.

Czechoslovakia's capital construction plan envisions a capital investment volume totaling 150 billion kronas, which is somewhat lower than the 1983 level. An increase in funds in atomic energy plant construction, machine building, agriculture, and in comprehensive housing construction as compared to the targets of the 7th Five-Year Plan has been outlined. The proportion of work having a modernization and reconstruction character will increase at new construction starts. There will be 72 important industrial projects and 32 nonindustrial projects put into operation.

The Development of Socialist Economic Integration

The CEMA members developed the economic plans for 1984 under conditions of a sharp deterioration in the world's political and economic situation, an aggravation of international conditions, and a nuclear missile arms race of unprecedented scale.

The Soviet Union and the other countries of the socialist commonwealth are doing everything possible under these conditions to prevent a nuclear catastrophe and to preserve peace for this and future generations.

The necessity to further develop and extend the CEMA countries' socialist economic integration becomes still greater. The tasks outlined in the CEMA members' economic plans to further develop mutual cooperation and to extend socialist economic integration are aimed at assisting their economic development, providing necessary resources for the national economy, and strengthening interaction in production, science, and technology.

The CEMA countries reciprocal commodity turnover will be developed at high rates in accordance with the plan targets adopted for 1984. An increase in reciprocal deliveries will significantly contribute to satisfying the fraternal countries' needs for fuel and energy and raw material resources, highly sophisticated machines and equipment, manufactured consumer goods, as well as the output of agricultural production and the food industry.

The CEMA countries and CEMA organs will continue work on the multilateral coordination of national economic plans for 1986-1990. A comprehensive program for the CEMA countries' scientific and technical progress for 15-20 years is being developed. It will lay the foundation for a coordinated, and in some fields, unified long-term scientific-technical policy. Implementation of multilateral and bilateral agreements and treaties on the execution of the long-term special-purpose cooperation programs of the CEMA countries, as well as of the tasks outlined in the Comprehensive Measures for Cooperation in Improving the Food Supply for the CEMA Countries' Populations, will continue.

The CEMA countries' parties and governments are paying a great deal of attention to developing and expanding cooperation in the fuel, energy, and raw materials sector. Long-term comprehensive measures aimed at providing for the CEMA countries' rational needs for energy, fuel, and raw materials for the period up to 1990 and the more long-term future have been worked out in this connection.

The tasks of the national economic plans of the countries of the social commonwealth for 1984 are quite intense, but entirely realistic. Their fulfillment will establish a basis for successfully solving the current five-year plan's tasks on the whole, will strengthen the countries' economies, and raise their populations' well-being.

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USSR-CEMA TRADE

EXPERIMENT IN EXPANDING CEMA PRODUCTION COOPERATION

Moscow PRAVDA in Russian 27 Aug 84 p 4

/Article by L. Zhmyrev, Moscow: "Direct Contact"/

/Text/ As was reported, the CPSU Central Committee approved the decree of the USSR Council of Ministers and the general statute on an expansion of international production cooperation and direct relations of associations, enterprises and organizations with allied collectives in fraternal countries. Thus, the "green light" was given for the solution of one of the key problems discussed at the high-level economic conference of CEMA member countries.

Recently, a PRAVDA correspondent visited the headquarters of one of the leading machine building sectors--the electrical engineering sector. The choice was made not accidentally. In the degree of participation in the international socialist division of labor the Ministry of Electrical Engineering Industry is ahead of many sectors. The economic experiment on expanding economic independence and strengthening the responsibility of enterprises is actively conducted here.

A conversation with L. P. Safronkov, deputy minister of the electrical engineering industry, was held in one of the offices at the high-rise building on Kalinin Avenue.

During the meeting he said that the decision on improving direct relations and further developing international cooperation lay, one can say, on a prepared ground. The workers of our sector have long-established and firm contacts with colleagues from many fraternal countries.

For example, the Leningrad Elektrosila and the Electromaschinenbau Combine in the GDR cooperate closely. The Zaksenwerk Plant in Dresden--a leading enterprise subordinate to the Electromaschinenbau Combine--is now being reconstructed with the help of the people of Leningrad.

Another example of fruitful direct contacts is in the field of electrothermics. Associates at the Soviet All-Union Scientific Research Institute of Electrothermal Equipment jointly with their colleagues from the GDR have developed a 30-ton plasma furnace, which has no analogs in world practice. This furnace operates successfully in the city of Freital (GDR).

Scientists, engineers and designers in Bulgaria, Hungary, the GDR, Poland, Romania, the USSR and Czechoslovakia, as well as in the Socialist Federal Republic of Yugoslavia, cooperate fruitfully within the framework of the Interelektro international organization, which has marked its decade recently. Cuba joined it not long ago. Through joint efforts European CEMA member countries succeeded in essentially fully providing their national economies with electrical engineering products and in giving up imports from capitalist countries. Relations with partners from fraternal countries have become so deep that without them it is now difficult to imagine the solution of many problems of both an intrasectorial and a national economic nature.

In what is the development of direct relations valuable for us? In the fact that creators of new things--designers, scientists and workers--directly participate in cooperation. In direct contacts, discussions and at times creative debates new ideas are born and optimal decisions are adopted. For example, let us take the history of development of induction motors of the AI series comparable with the best world models. Every country that is a member of Interelektro has made its contribution here. GDR specialists have proposed a method of mechanical calculations of motors. Engineers in the Socialist Federal Republic of Yugoslavia have developed a method and prepared recommendations for a reduction in noise and vibration, in the Czechoslovak Socialist Republic, thermal and ventilation calculations and in the Polish People's Republic, the calculation of incremental losses.

The decisions of the economic conference aim at an increase in the activity of enterprises and production collectives in the development of international cooperation and direct relations. Of course, this will also be reflected in the work of Interelektro. Previously, we had only one united technological-design office, where specialists from fraternal countries cooperated side by side, and now another three have been established. This form of interaction is to be developed further. Leading specialists of these countries participate in the working bodies of Interelektro. Now it is necessary to more widely introduce new organizational forms, which would create the most favorable conditions for fruitful contacts among scientists, designers, engineers and technicians.

What do we expect from direct relations? First of all, the possibility of a direct inclusion in the sphere of intrasectorial cooperation of a wide circle of economic managers and specialists of production associations and enterprises allied in their specialization in fraternal countries. Until now we have encountered them at offices and have argued with them at Kuhlman drafting units. Economic and organizational conditions for the implementation of direct relations, which are primarily means of intrasectorial cooperation, have now been created. The place of actions now shifts directly to production--to shops, sections and laboratories. The use of so-called global contracts will make it possible to promptly, without unnecessary agreements and

delays, exchange equipment, parts and units, to send specialists on missions and to conduct joint tests. In brief, new possibilities of expanding the interaction of electrical engineers in fraternal countries open up.

In our ministry we have already begun the preparation for the realization of the decisions approved by the economic conference, primarily for the development of direct production cooperation among labor collectives and expansion of international cooperation. An information letter discussing the essence of the outlined measures has been prepared for dissemination. The appropriate order was issued throughout the ministry. The range of enterprises that will have direct relations with colleagues from CEMA member countries is now being determined. We believe that major associations and plants with experience in international cooperation, for example, the Leningrad Elektrosila, the Moscow Dinamo, the Saransk Elektrovpyramitel', the Zaporozhtransformator and others, should become such enterprises.

The preparatory "ministerial" stage in the reorganization was coming to an end, the conversant continued. The main thing now is to advise managers on all levels, specialists and working collectives of the essence of the planned changes. I will briefly recall that the basic statutes on the transition to direct relations envisage the creation of funds for the development of international intrasectorial cooperation at enterprises. Managers of associations, enterprises and organizations will bear the responsibility for the economic efficiency of these relations. Measures for the economic stimulation and development of the organizational forms of cooperation are envisaged.

All this creates favorable conditions for direct contacts. How was it previously? Partner enterprises agreed on cooperation and sealed their obligations with joint planned measures not having a legal force. Hence the effectiveness of such an interaction was not always high.

Another innovation envisaged by the basic statutes on direct contacts is connected with a reduction in the number of intermediaries. It has been determined that only one or two foreign trade associations of the Ministry of Foreign Trade should now participate in the realization of contracts and agreements and no more. Only recently we had to coordinate our decisions with several export-import associations of the Ministry of Foreign Trade. Weeks and sometimes even months were spent on correspondence and agreements and the efforts of many specialists were diverted. Such practice will now have to be changed.

The government decree on the development of direct relations envisages the personal responsibility of the manager of a collective for their efficiency. This places additional demands on every manager who is a party member, party committees and party organizations. The best decision will remain on paper if there are no people capable of fulfilling it. This must be taken into consideration when determining the range of enterprises, which will be given the right to enter into direct relations.

In accordance with the decisions of the high-level economic conference of CEMA member countries additional measures aimed at strengthening cooperation, including in the area of party management of the economy, have been envisaged.

Realizing the importance of the task facing the collective, the party committee of the ministry's apparatus plans to carry out in all party organizations of all-Union industrial associations and administrations explanatory work among party members. It is important to create an atmosphere of creative search so that every worker at the sector's headquarters may be imbued with the importance of the outlined measures. Then the return of every party member will also increase.

At the same time, we hope that, as envisaged by the decree of the USSR Council of Ministers, appropriate explanations of the basic statutes on an expansion of cooperation and direct relations will be given in the very near future; in particular, on the procedure of formation of the fund for the development of international cooperation, formation of prices of cooperated products and other problems.

It seems advisable for the appropriate subdivisions of the USSR State Planning Committee, the Ministry of Foreign Trade, the USSR Ministry of Finance and the USSR State Committee on Prices to hold consultations and perhaps even seminars for ministry workers and managers of enterprises that have received the right to enter into direct relations. Receiving explanations and the necessary information materials, we will be able to carry out the differentiated training of personnel on all levels, managers and executors, who will have to realize this major task in practice, at the sectorial Institute for Improvement of Skills.

A direct contact... These words have a special sound for electrical engineers. When the contact is reliable, current flows through an electric circuit without interference. "There is a contact!" means that the network is in order and it operates. This is also the case in the sphere of the international socialist division of labor. With the transition to direct contacts among workers, designers and scientists the cause of our fraternal cooperation will only gain.

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BRIEFS

HUNGARIAN ALUMINA, ALUMINUM EXPORTS--(TASS)--The Soviet-Hungarian agreement in the field of alumina and aluminum production is being implemented successfully. More than $\frac{1}{2}$ million tons of Hungarian alumina are annually processed into metal at Soviet enterprises. The development and intensification of economic integration among the countries of the socialist camp occur along the paths of specialization, cooperation and multilateral and bilateral collaboration. /Text/ /Moscow EKONOMICHESKAYA GAZETA in Russian No 36, Sep 84 p 22/ 11,439

CSO: 1825/1

TRADE WITH INDUSTRIALIZED COUNTRIES

TRADE, JOINT PRODUCTION WITH AUSTRIA EXPANDING

Moscow SOVIET EXPORT in English No 4 (151) 1984 pp 30-31

[Article by A. L. Stesnov, trade representative of the USSR in Austria]

[Text]

Trade and economic relations between the USSR and Austria are making good progress. The two-way traffic of goods between the two countries is regulated by the Long-Term Agreement on Trade and Payments signed in 1975. Commodity turnover between the USSR and Austria nearly tripled over the last seven years, with both Soviet export to Austria and Austrian export to the USSR registering an increase.

In 1982 Soviet-Austrian mutual goods deliveries were worth a total of 1,210 million roubles, with Soviet export to Austria constituting 775 million roubles, and Soviet import from Austria—535 million roubles. Trade between the two countries became more balanced. The proportion of machines and industrial plant in it keeps growing.

Natural gas and petroleum, essential to Austria's economy, make up the bulk of Soviet export to Austria. Today Austria imports practically all the natural gas it needs from the Soviet Union. Other important items of

Soviet export to Austria include iron ore, ferroalloys, woodpulp and cotton. The Soviet-manufactured Lada cars have become a common sight on Austria's roads. Machine tools are also high on the list of Soviet machine and equipment exports to Austria.

The Soviet Union imports from Austria chiefly ferrous rolled stock, river craft, industrial fittings, electrical engineering equipment, machinery for the chemical and pulp-and-paper industry, chemical goods, clothing and footwear.

Lately big new contracts have been signed with Austrian firms for delivery of machines, equipment and ships to the USSR. In 1982, for instance, we got six pushers from Austria, in 1983—three motorized snowsaws. In 1984, we shall receive three passenger ships and one floating crane, and in 1985—another passenger ship. The contract for delivery to the USSR of six,000 tons of seamless oil pipes in 1983—1986 is being successfully fulfilled. In 1982, an order was

placed with the Voest-Alpine concern for construction in the USSR of an iron-and-steel plant on turn-key terms—the first project of its kind in the history of Soviet-Austrian trade relations.

Soviet organisations and Austrian firms have been practising co-production for quite a time now.

Under an agreement signed in February 1980, VO STANKOIMPORT co-operates with Austria's Heid and Siemens firms in developing new numerically-controlled lathes based on those already being manufactured by the Soviet industry. Plans are now afoot for the co-production of new-generation NC machine tools.

VO TECHMASHEXPORT and Chemietaser Linz have developed by joint effort a new loom model based on a Soviet prototype. The new loom has already passed industrial tests and is to go into quantity production in 1984.

VO ENERGMASHEXPORT and the Plasser and

Theurer company have long been co-producing and co-marketing track-laying and repairing machines.

VO VNESHPOSYLTORG and the Hugel company are getting co-operation under way in the joint making and marketing of footwear. This form of co-operation is also most promising.

VO PROMMASHIMPORT and **VO TECHMASHEXPORT** successfully co-operate with the Voith company in uniting Austrian and Soviet paper-making machines. Negotiations are now in progress with the Voith company on the joint supply of paper-making machines to third countries. Czechoslovakia and Yugoslavia included. In 1985-1987.

Another form of co-operation between Soviet organisations and Austrian firms is licence trade. In December 1981, for instance, **LICENSINTORG** sold the Voest-Alpine concern a licence to use the Soviet process of spray gunning of converters for a period of ten years. The Summering-Graz-Pauker is building in Egypt, under a Soviet licence, a factory for making the liprey binding material. The factory is to be commissioned in 1982.

Joint production is among the most rewarding forms of co-operation between Soviet organisations and Austrian firms. It is being promoted in great scale by the Mixed Soviet-Austrian Commission for Economic, Scientific and Technical Co-operation, by the Soviet Trade Representative in Austria, and by other Soviet organisations and institutions. In its 1983-1985 programme, the Mixed Commission provides for holding talks on getting the co-production of a number of items under way. Soviet and Austrian experts will meet in 1982 with a view to ascertaining the possibilities for co-operation of producing secondary raw materials.

Soviet organisations and Austrian firms have been doing good business for years. Today, Soviet foreign trade organisations find over 300 business partners in Austria, quite a number of them being medium-size and small companies.

Meetings between the leaders

of the two countries are of prime importance for the development of economic co-operation and trade between the USSR and Austria. These meetings give new impetus to the development of trade and economic links and provide the basic guidelines in areas of their further expansion.

The official visit paid to the USSR by Federal President R. Kirchschlager of Austria and his negotiations with Soviet leaders in 1982 were of major importance. At the summit meetings, both sides voiced satisfaction with the present level of economic relations between the USSR and Austria and stressed their determination to consolidate the results achieved and to go on stimulating economic co-operation and stepping up its effectiveness.

The XV session of the Mixed Soviet-Austrian Commission for Economic, Scientific and Technical Co-operation, held in Moscow in October 1983 under the chairmanship of N. S. Patukhovich, Minister of Foreign Trade of the USSR, marked an important milestone in the development of mutually beneficial trade links between the USSR and Austria.

Vice-Chancellor N. Steger, Federal Minister of Trade, Crafts and Industry and head of the Austrian delegation to the session of the Mixed Commission, was received by N. A. Tikhonov, Chairman of the Council of Ministers of the USSR. At the meeting, the sides pointed out that prospects for the mutual co-operation between the USSR and Austria are good. A number of new joint projects can be carried out under the Long Term Programme for the Development and Deepening of Economic, Scientific, Technical and Industrial Co-operation for 1985-1990. It was noted also that against the background of the present tense international situation, Soviet-Austrian co-operation has a positive role to play in strengthening peace and international relations and is an example of a working policy of peaceful coexistence between states with different social systems. A tangible proof of the harmony and reason of the all-European process emerged in Helsinki.

TRADE WITH INDUSTRIALIZED COUNTRIES

EXPANSION OF JAPANESE MERCHANT SHIPPING CRITICIZED

Moscow MORSKOY FLOT in Russian No 10, Oct 84 (signed to press 13 Sep 84)
pp 54-57

[Article by Candidate of Economic Sciences E. Gluskin (State Planning, Design and Scientific Research Institute of Maritime Transport): "The Patterns of Japanese Expansion"]

[Text] In recent years on the pages of the western press and in the statements of representatives of government and maritime circles of the capitalist countries it has frequently been possible to encounter accusations meant for the socialist states that the activity of their commercial fleets is based on "dishonest," "noncommercial" methods and represents, owing to this, a considerable threat for international sea shipping. The policy of the developing countries, which is aimed at the establishment in shipping of a new international economic order and at the elimination of the transportation monopoly of the "traditional maritime powers," is also appraised in approximately the same way. Such a policy is declared by the imperialist states as a violation of the principle of the freedom of the seas and "discrimination of the flag." While accusing the fleets of the socialist and developing countries of expansionism, the custodians of "honest commerce" are placing everything upside down, in other words, are giving a distorted picture of the real state of affairs. Japan, which is advocating in words the liberalization of international economic relations, is playing not the last violin in this denunciatory orchestra.

Let us attempt for the sake of the truth to examine several aspects of the policy of the Land of the Rising Sun in international shipping.

First of all it should be specially emphasized that merchant shipping, which holds an extremely important place in the Japanese economy, is completely subordinate to the accomplishment of a global task--the foreign economic expansion of Japan, the advance of Japanese monopoly capital on world markets. This circumstance alone already determines the aggressive nature of the shipping business. The policy of Japan in the sphere of merchant shipping

pursues a twofold goal: on the one hand, to eliminate by any means the barriers in the way of the broadening of Japanese participation in world shipping and, on the other, to preserve the maximum advantages which follow from state protectionism, that is, the defense of the interests of national ship owners; in other words, to use the most flexible forms of expansion, having guaranteed the greatest possible competitive ability to Japanese ship owners under the demagogic cover of the protection of the principle of "freedom of the seas." In this connection the thesis (which is quite frequently advanced in Japanese shipping circles) about the disastrous situation and lack of defense of the ship owners of Japan in face of foreign competitors does not stand up to any criticism.

The government, in pursuing the goal of the increase of the efficiency of shipping as a most important element of monopolistic expansion, is giving ship owners diverse assistance which is enormous in amount. Suffice it to say that during the 1982 fiscal year alone the state through the Japanese Development Bank allocated to shipping companies 134.5 billion yen for the construction of the fleet within government programs.

The active support of the government is prompting Japanese ship owners to an offensive on the international freight market. Here in Japan they prefer not to mention once more their involvement in cross trade transportation. Placing the emphasis on the transportation of Japanese foreign trade cargo by its own fleet, it is very convenient to condemn foreign ship owners for the aspiration to earn currency by means of foreign cargoes. Meanwhile, the Japanese ship owners themselves transported in 1981 in cross trade 68 million tons of cargo, or more than 13 percent of all the cargo transported by the merchant fleet of the country. The fact that 45 million tons of cargo (more than 66 percent) were transported in cross trade by foreign ships chartered by Japanese ship owners, especially attracts attention.

The expansion of Japan in international shipping and the chartering of a foreign fleet by Japanese ship owners are inseparable concepts. The use of ships under foreign flags has developed into one of the basic methods of penetrating the freight markets of other countries. Practically half of the fleet of Japanese shipping companies (in 1982 45 percent) carry a "foreign" flag, while in 1969 this proportion did not exceed 17 percent. How is one to explain the nearly threefold increase of the tonnage of the fleet which is chartered by Japanese ship owners?

In order to answer this question, let us note: it is a question to a significant extent of ships which are the property of Japanese shipping companies. The point is that in recent years "tie-in" and "charter-back" ("tie-in"--the ships are registered under a foreign flag and belong to companies which were founded by Japanese capital abroad; "charter-back"--the ships are sold to foreign companies with the condition of chartering back, which makes it possible to avoid the hiring of a Japanese crew) have become extremely attractive forms of chartering for the ship owners of Japan. Being, in reality, the registration of the Japanese fleet under a flag "of convenience," these types of chartering presume the use on ships of crews mainly from developing countries and, hence, a saving on wages. More than one-third of the tonnage, which was chartered by the six largest shipping

companies of the country, belong to themselves. The advantage of such chartering is obvious.

True, Japanese companies also have occasion to experience some difficulties. "Flexibility" is turning into social conflict: the increase of the number of ships, which are chartered on "tie-in" and "charter-back," entails a decrease of the employment of Japanese seamen. The discontent of the latter is constantly increasing, causing the magnates of the shipping business unpleasant trouble.

The flag "of convenience," especially the Liberian flag, is also not being ignored by Japanese ship owners. The registration of the Japanese fleet under a flag "of convenience" pursues a single goal--the increase of the competitive ability and a gain in the marathon of the international shipping business. The government supports such a practice. The companies, which use a flag "of convenience," do not lose the privilege of obtaining credits from the state Japanese Development Bank.

Japanese expansion in international shipping is a far-reaching and large-scale phenomenon. The shipping magnates are fighting for the palm on all the merchant shipping lanes--they are strengthening their positions on traditional ones and are also penetrating new, for the present little developed ones. They are taking a rigid position, attempting by hook or by crook to overpower their competitors. Such is the law of capitalist shipping.

Japan is pursuing an especially active aggressive policy in the basic directions of the transportation of the cargo of its own foreign trade. One of them is transportation of North America. Starting in the 1960's the leaders of Japanese shipping Nippon Yusen Kaisya (NYuK), Mitsui OSK Lines (MOL), Japan Line, Kawasaki Kisen Kaisya, Shyova Line and Yamasita Sinnihon Steamship actually monopolized transportation on one of the directions with the greatest density of freight traffic. For the achievement of this goal the members of the "big six" demonstrated enviable unity. They united the container carriers which had previously been use by each company separately. Using the distribution of the cargo capacity of ships according to the "space charter" (the chartering of a portion of the total container capacity of specialized ships, which are used by the parties to the agreement, is carried out on the basis of a space charter agreement), the Japanese shipping monopolies achieved the significant strengthening of their positions in the confrontation with ship owners of other countries, including the United States. Such a situation, which increased sharply the share of Japan in transportation, led to the aggravation of the conflicts between the ship owners, who were working in this direction, first of all Japanese and American ship owners. The largest transporters of the United States--American President Lines, Likes Brothers Steamship, Sealand--declared an extremely rigid position, demanding that the Federal Maritime Commission prohibit the agreement on "space charter" and the pool of revenues. In 1983 the fate of this agreement was subject to doubt. However, the new 1984 American law on the maritime fleet, which grants antitrust immunity to agreements of transporters, apparently, will make it possible to dispel the apprehensions of the Japanese ship owners.

Taking into account the increase of the fierceness of the competitive struggle and the appearance of new, quite earnest competitors from Hong Kong, South Korea and Taiwan, the shipping monopolies of Japan are taking the route of seeking new forms of their expansion. In January 1984 at a meeting of representatives of the five largest shipping companies (the members of the "big six" without Shyova Line) NYuK and MOL presented a plan of the creation on the route Japan-East Coast of North America of a new joint shipping association patterned after the consortium Scan Dutch. Such an association presumes closer cooperation as compared with the space charter agreement. This is another step in the direction of the strengthening of the position of Japanese ship owners in the Pacific Ocean region.

The expansionism of Japanese shipping policy is also coming to light with respect to Western Europe, which in many ways is explained by the increase of the importance for Japan of the markets of the West European countries under the conditions of the increase of the fierceness of Japanese-American trade and economic relations. The foreign trade expansion of Japan on the European continent is giving rise to a mighty freight flow, for which the shipping monopolies are waging a fierce struggle.

Japanese ship owners are being confronted here with strong competition on the part of such West European companies and their associations as Gapag-Lloyd, Overseas Container Line (OCL), Trio-Group, Scan Dutch and others. In the competitive struggle they are trying to prove that they are worthy of the "fame" of the industrial monopolies of one of the three centers of interimperialist rivalry. Not by chance are business and shipping circles of the West European countries calling upon their governments to erect barriers to the further offensive of Japanese capital and to restrict the activity of the Japanese merchant fleet in the transportation of their cargo.

Shipping of the developing countries has become one of the general directions of the offensive of the Japanese merchant fleet. Here Japanese ship owners are using hidden forms of expansion. This has its explanations. In the present world economy under the influence of the struggle of the developing countries for the establishment of a new world economic order profound radical changes, which Japan, which is experiencing an acute dependence on the raw material markets of these countries, has to take into account, have occurred. The role of the liberated states also as markets for the sale of products is increasing. The strengthening of the economy of the developing countries, the increase of national self-consciousness and "raw material nationalism" have made substantial adjustments in their relations with the developed capitalist states and have faced the ruling circles of Japan with the need for the serious revision of their entire economic policy, which was previously based on open expansion. Hence, too, the attachment of special significance to "economic cooperation," which is, in reality, a plausible form of economic enslavement. For the strengthening of its positions in the shipping of the developing countries Japan is using such outwardly appealing types of "cooperation" as the transfer of transport technology, technical assistance in the organization of enterprises of maritime transport and their management, the vocational training of maritime personnel and the sending of Japanese specialists. Considerable attention is being devoted to the development of the port facilities of the developing countries which have close foreign

economic relations with Japan, which is explained by the need for the increase of the efficiency of the operation of the Japanese fleet.

In order to give greater scope to this direction of expansion, in 1982 the Japanese Center of International Maritime Cooperation (JCIMC), which proclaimed in its official documents "the favoring of international friendship and mutual understanding with the developing countries and their peoples," was set up in Japan under the aegis of the Ministry of Transport. What lies behind the facade of this noncommercial organization, which has a modest budget which by no means makes it possible to give any serious financial assistance to the developing countries?

It is already possible to judge the degree of its interest in the development of the world transport of the developing countries if only from its founding members: the Japanese Maritime Development Association, the Japanese Maritime Fund, the Association of Japanese Ship Owners. These are precisely the organizations which always held sacred the interests of Japanese monopoly capital. It should hardly be expected that the activity of the center will assume a different complexion. The discontent with its activity, which is expressed by several Japanese ship owners, also cannot be misleading. As if reassuring them, JCIMC Director Takasi Matsuo noted: "In a number of cases several Japanese lines may briefly suffer to a certain extent from our aid to developing countries, but in the long run the stimulation of healthy international cooperation and development will yield benefits." In other words, do not worry, you will not come off losers. The Japanese shipbuilding companies, which construct ports, produce containers, loading equipment and others, will also not incur losses. Because--and this is already arousing sharp criticism of the developing countries--Japan as the donor country when giving "aid" sets the condition that the projects, which have been accepted for implementation, would be carried out by Japanese companies. The goal is being achieved: the developing countries are getting into rigid technical dependence on "generous" Japan. Is this not a disguised form of neocolonialism?

Under the conditions of the intensive taking by a number of developing countries of steps on the restriction of the involvement of foreign companies in the transportation of national foreign trade cargo the Japanese ship owners are pursuing an active policy of the formation of joint shipping companies. Here they are using both the increased financial means of the developing (especially the petroleum-producing) countries and their lack of personnel and experience in the organization and management of maritime transport enterprises.

The Japanese monopoly MOL established jointly with two Argentine shipping firms the company Orient Line. The joint Indonesian-Japanese company Indonesia Bulk Transport, which was founded in 1975, specializes mainly in the transportation of round timber to Japan. The Indonesian-Japanese-American company Java Tanker, which was established on a multilateral basis, engages in the transportation of petroleum from the Indonesian deposit, which is being worked by an American company, to other countries, including Japan.

In recent years the Near East has attracted particular attention of Japanese ship owners. Being the largest consumer of Near East petroleum and an exporter of the countries of the region, Japan is striving to penetrate as deeply as possible into its merchant shipping. Thus it is possible to obtain a high quota in the transportation of gas and petroleum and to neutralize the protectionism which the countries of the Near East are implementing for the purpose of protecting their young fleet from competition. That is why shipping companies with the participation of Japanese capital have also appeared in the region. These are, in particular, the Abu Dabi-Japan Line Joint Venture, Red Sea Saudi Maritime with a 40-percent share of NYuK, Sabina Shipping (40 percent Sanko Steamship) and Saudi Arabian Shipping (40 percent MOL).

Well, when does concealed expansion not succeed? When do the shipping companies of the developing countries, by gathering strength, begin to meet more and more completely the needs of their national trade? Then an old, tested method: ruthless suppressing of competition, takes effect. It is necessary to evaluate in precisely that way the establishment of a shipping consortium by five members of the "big six" and OCL in 1984. Its purpose is to create mighty competition for the Arab company United Arab Shipping in transportation to the ports of the Persian Gulf and to make it more obliging.

Japanese expansion in shipping is not an exceptional phenomenon. It is merely a vivid example of the policy, which all the maritime capitalist powers without exception are pursuing in international shipping, in attempting to preserve their transportation monopoly.

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TRADE WITH INDUSTRIALIZED COUNTRIES

BRIEFS

AUSTRIAN WOOD PROCESSING EQUIPMENT--A contract between the All-Union Prommash-import Foreign Trade Association and the Austrian I. M. Foit Firm was signed in Moscow. In accordance with it in 1985 the USSR will receive from Austria equipment for the modernization of the cardboard machine at the Syktyvkar Timber Complex. The machine will manufacture high-density cardboard for the production of improved-quality rectangular milk packets. After the signing of the contract F. Zilbermayer, general director of the Austrian firm, especially stressed the long-term mutually beneficial nature of cooperation with Soviet partners. /Text/ /Moscow EKONOMICHESKAYA GAZETA in Russian No 37, Sep 84 p 21/ 11,439

CSO: 1825/1

TRADE WITH LDC'S

WESTERN REPORTS ON USSR AID TO ETHIOPIA 'BIASED'

LD020045 Moscow in English to Great Britain and Ireland 2000 GMT 1 Dec 84

[Text] Soviet Panorama's commentary today is on the Soviet Union's assistance to the developing countries. Mr P. T. (Holden) of Blackburn, Lancashire wrote to us. British television and the press are making much mileage out of the suffering in Ethiopia. One comment that has been made on more than one occasion is that the Soviet Union has not been as generous as she could.

It may be worthwhile clearing up any points that are subject to misinterpretation. Similar requests were in letters from Mr T. P. H. Wilkins of Southampton and Mr Alf (Pants) of (Duston) Northampton. Our observer Vadim (Fotinov) prepared the following answer.

Reading news reports about the disastrous droughts that have stricken Ethiopia and other African countries I couldn't but recall what a friend of mine who worked in Africa with UNESCO told me. That while we take a shower, put on the kettle to boil or drink a glass of clear sparkling water, tens of thousands die each year in the developing countries because of lack of pure water. Indeed fresh water means life, especially in Africa, and I think that is why people in many countries responded readily to Ethiopia's call for help.

Among the first were the USSR and other socialist countries. Predictably the Soviet assistance to Ethiopia has received a biased interpretation in the Western mass media, which I think is not fair. Not only in regard to our people but also in regard to those many thousands of Britons who took part in a fund raising campaign to help Ethiopia's population. I say this is not fair because when you sincerely try to help somebody, when you put not only your money but your whole heart into it you do not expect that your help will be used in political bickering and for blackening the same very people you are trying to help. But that's exactly how some sections of the Western press have been interpreting the Soviet assistance to Ethiopia.

So, what is the real situation? Obviously the best thing could be to hear what Ethiopia's people themselves think of it. At the press conference held recently in Addis Ababa, it was said that three-fourths of all

foodstuffs and supplies flown into Ethiopia are being delivered to the areas stricken with droughts and famine on Soviet trucks, planes, and helicopters operated by Soviet personnel. Soviet Aeroflot planes continue to bring in more foodstuffs, medicines, tents and other essentials to Ethiopia and Soviet engineers, hydrologists, have been dispatched with special drilling equipment to open new wells in drought stricken territories. All this is not to say there is no help coming from the West, but there is a difference. Soviet assistance is no one time effort.

At the same news conference in Addis Ababa, it was said that the 10 years of the Soviet economic and technical assistance for Ethiopia have done more to its development than all the 40 years preceding the national democratic revolution in that country. Incidentally a lot of this assistance is being rendered through UNESCO, of which the USSR is an active member. UNESCO has been most useful if not instrumental in helping the developing nations to overcome their backwardness. The USSR and other socialist countries offer an assistance based on equal partnership, mutual respect and sovereignty. More and more developing countries find this alternative appealing for the simple reason that it's fair. And I think it's precisely this and not as they say the Soviet Union's insufficient assistance to Ethiopia that made the British press come out with another portion of anti-Soviet and anti-Ethiopian propaganda.

But why does the British reader have always to pay the price of incompetence for this dubious game, called anti-Sovietism.

CSO: 1812/72

TRADE WITH LDC'S

BRIEFS

GUINEA: FISHING COOPERATION PROTOCOL--Conakry--Ways to further expand and deepen cooperation in the fishing sphere have been discussed at the eighth session of the Soviet-Guinean joint commission which has been held here. A protocol on the results of the tasks has been signed envisaging, in part, the training of Guinean specialists on Soviet fishing, scientific research, transport ships, and also at educational establishments in the USSR. With the USSR's assistance, scientific studies which will make it possible to estimate fish stocks and elaborate practical recommendations for the organization of fishing have begun in the country's economic zone for the first time. A draft contract for the elaboration of a general plan for the development of fishing has already been handed over to the Guinean side. [Text] [Moscow SEL'SKAYA ZHIZN' in Russian 7 Nov 84 p 3 PM]

YUGOSLAV BANK OFFICIALS RECEIVED--Z. N. Nuriyev, deputy chairman of the USSR Council of Ministers, has received Rado Radosavljevic, president of the Associated Bank of Belgrade, and B. Kostic, president of the Investment Bank of Belgrade. During their talk there was an examination of several questions of economic cooperation in sectors of the agroindustrial complex. Taking part in the meeting were M. S. Zotov, chairman of the board of the USSR Bank of Financing Capital Investments, and M. Drulovic, SFRY ambassador to the USSR. [Text] [Moscow PRAVDA in Russian 28 Oct 84 First Edition p 5 PM]

CSO: 1825/25

GENERAL

IMEMO SERIES ON TRADE WITH CAPITALIST, DEVELOPING COUNTRIES

Moscow IZVESTIYA in Russian 10 Oct 84 p 5

[Review by V. Khlynov, doctor of economic sciences, of the book "SSSR--Yaponiya: Problemy Torgovo--Ekonomicheskikh Otnosheniy" [The USSR--Japan: Problems of Trade and Economic Relations], edited by Yu. S. Stalyarov and Ya. A. Pevzner, Moscow, 1984]

[Text] The Institute of World Economics and International Relations of the USSR Academy of Sciences in conjunction with the publishing house Mezhdunarodnyye otnosheniya has begun to publish a series of four books entitled "Trade and Economic Relations Between the USSR and Capitalist and Developing Countries." The first book of this series has been published: "SSSR--Yaponiya: Problemy Torgovo--Ekonomicheskikh Otnosheniy [The USSR--Japan: Problems of Trade and Economic Relations]. Leading scholars of IMEMO and specialists from the MVT [Ministry of Foreign Trade], GKNT [State Committee on Science and Technology] and other scientific and practical organizations participated in writing it.

Under the conditions of the aggravation of the international situation which is brought about by the actions of the present American administration, the publication of a detailed investigation of the influence of political factors on economic relations among countries with various social systems and on the positive role of these relations on the plane of the maintenance and strengthening of an atmosphere of confidence seems quite crucial.

In this regard, the monograph shows that the present Japanese government, unfortunately, has entered into the economic sanctions against the USSR which were undertaken on the initiative of the United States, and it has tried to turn the trade and economic exchange into an implement of pressure on the USSR. As a result the economic relations between the two countries have begun to close down in recent years. This could not but be reflected in Soviet-Japanese political relations.

Using convincing examples, the monograph shows that the USSR has consistently been in favor of and continues to be in favor of mutually advantageous commercial and economic relations with Japan, regarding these as an important stabilizing factor throughout the complex of bilateral ties. There has always been support from the Soviet side for the initiative of business circles in

Japan to expand mutually advantageous economic exchange. The statements from official Japanese circles regarding improvement of Soviet-Japanese relations are finding a positive response in our country. It is important for these statements to be backed up by practical steps.

The monograph has analyzed in detail mutual trade, the large-scale plans for development of the natural resources of Siberia and the Far East, and fishing, scientific-technical, transportation and currency-credit relations. The significance of mutual economic ties between the two countries is shown in a separate chapter.

Still the authors do not try to whitewash the real state of affairs, and they discuss the difficulties and still unsolved problems of bilateral economic relations, which is one of the merits of the book.

On the whole, it comes to the quite justified conclusion that there are significant unutilized possibilities of expanding trade and economic exchange between the USSR and Japan, which would correspond to the interests both of the peoples of our two countries and of strengthening peace and security in the Asian and Pacific Ocean region.

The sincere desire of the Soviet Union to take precisely this path, the only reasonable one, was again confirmed a couple of days ago by the General Secretary of the CPSU Central Committee, Chairman of the Presidium of the USSR Supreme Soviet, K. U. Chernenko in an appeal to the Japanese readers in connection with the publication of his speeches and articles in Japan. "We are moving toward a significant expansion of mutually advantageous business ties between the USSR and Japan. The potential opportunities here are immense."

It is up to the Japanese side to make the next move.

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GENERAL

VOLUME ON CEMA LABOR RESOURCES

Moscow PRAVDA in Russian 15 Oct 84 p 5

[Review by B. Ladygin of the book "Sotsializm: Naseleniye i Ekonomika" [Socialism: Population and Economics] by V. Ye. Aper'yan, Moscow, Politizdat, 1983, 206 pp]

[Text] The Moscow high-level conference of CEMA countries took a large step forward in coordinating the economic policy of the socialist states. This increases the interest in the modern problems of the socioeconomic development of society, and particularly in the task of efficient and economical utilization of labor resources. This task was included among the most important in the declaration of the Moscow Conference.

V. Ye. Aper'yan's book gives a detailed description of the economic and demographic situation in the European CEMA countries. On the basis of the generalization of a wealth of statistical material, the author discloses the content of the problem of labor resources in the sister countries and shows the growing role of the human factor in the development of their economies. The situation is such that in the foreseeable future they will not be able to count on a large influx of labor resources. Hence they are relying and will rely to an even greater degree on efficient utilization of these labor resources. The task of increasing the productivity of public labor in close connection with improving the utilization of all resources is facing the CEMA countries with special force.

The author draws attention to the need to provide for permanent balance between material and financial resources, on the one hand, and labor resources, on the other. He gives what seems to be a correct statement of the problem that, under the conditions of full employment which is achieved under socialism, one cannot speak about a shortage of labor resources in general, but about "a shortage conditioned by extensive development of the economy and a certain lack of correspondence between the nature of the economic mechanism and the new conditions and tasks of economic and social development." He considers in detail questions of restructuring the training and the utilization of the labor force, which are closely related to solving problems of combining in practice the achievements of the scientific and technical revolution with the advantages of socialism.

A considerable amount of space in the book has been devoted to problems of controlling demographic processes. The author analyzes the demographic policy in the European socialist countries and measures for providing for optimal conditions for reproduction of the population, including labor resources. The experience that has been accumulated here is collective property and assists every sister state.

It would apparently be worthwhile to devote more attention to the forms of utilization of labor resources that are coordinated among the CEMA countries. We are speaking here not only about theoretical generalizations, but also about practical recommendations. This is especially crucial in light of the results of the high-level conference.

On the whole, this book is of interest to all who are dealing with problems of the population, labor resources, reproduction and also problems of the political economics of socialism.

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